

Capillary Technologies India Ltd.

IPO Note



Not Rated

Data-driven loyalty solutions that keep customers returning and products performing.

Capillary Technologies India Limited is a software product company offering artificial intelligence (AI)-based, cloud-native Software-as-a-Service (SaaS) solutions.

Incorporated on March 15, 2012, the company's registered and corporate office is located in Bengaluru, Karnataka, India. It primarily serves enterprise customers across more than 45 countries (as of March 31), helping them enhance consumer and channel partner loyalty.

The company's business model focuses on delivering comprehensive, AI-driven SaaS platforms aimed at improving customer engagement and retention for large enterprises. Its product suite includes Loyalty+, Engage+, Insights+, and Rewards+, which enable clients to execute end-to-end loyalty programs with unified, personalized, cross-channel engagement strategies, while offering a holistic view of customer behavior.

Capillary has demonstrated a notable turnaround in profitability, reporting a restated consolidated profit of ₹13.28 crore in FY25, compared to losses of ₹59.38 crore in FY24 and ₹87.72 crore in FY23. Revenue from operations in FY25 stood at ₹598.26 crore. The company's pre-offer consolidated Debt-to-Equity Ratio was 0.18 as of March 31, 2025, indicating a comfortable leverage position.

However, a key risk arises from high customer concentration, with the top five clients accounting for 43.35% of revenue from operations in FY25. The company also has a history of cash losses, and its performance remains dependent on the timely and cost-efficient development of new products. Additionally, non-compliance with evolving global data privacy regulations (such as GDPR) could materially impact operations.

As of September 30, 2025, Capillary served 110 customers across 413 brands, including 19 Global Fortune 500 companies. The client roster features prominent names such as Tata Digital, ABFRL, Abbott Laboratories, Frontier Communications, Domino's Pizza, Arvind Fashions, Metro Brands, Puma Sports, Vishal Mega Mart, Inter-Globe Aviation, Polycab, among others.

Key Consolidated Financial Data (INR Cr, unless specified):

	Net Revenue	EBITDA	Net Profit	EBITDA (%)	Net (%)	EPS (INR)	BVPS (INR)	RoE (%)	RoIC (%)	P/E (X)	EV/EBITDA (X)
FY23	255.4	-69.2	-87.7	-27.1	-34.3	-11.1	23.5	-47.0	-36.8	-52.2	-67.6
FY24	525.1	-11.8	-59.4	-2.3	-11.3	-7.5	68.0	-11.0	-18.6	-77.1	-372.1
FY25	598.3	65.0	13.3	10.9	2.2	1.7	71.7	2.3	1.1	344.5	68.7

Source: Ventura Research & Company update

Issue Structure and Offer Details:

Capillary technologies India Ltd. IPO is a book build issue of INR 877.50 cr. The issue includes fresh issue INR 345 cr and OFS of INR 532.50 cr.

Issue Structure	
Investor Category	Allocation
QIB	Not less than 75.00% of the Offer
NII (HNI)	Not more than 15.00% of the Net issue
Retail	Not more than 10.00% of the Offer

Number of shares based on a higher price band of INR 577

Source: Company Reports

Objects of the Issue: -

- 1. Funding our cloud infrastructure cost- INR 120 cr.**
- 2. Investment In Research, designing and development of our products and platform- INR 151.54 cr.**
- 3. Investment in purchase of computer systems for our business INR 10.32 cr.**
- 4. Funding inorganic growth through unidentified acquisitions and general corporate purposes- 63.46 cr.**

Financial Summary

Fig in INR Cr (unless specified)	FY23	FY24	FY25	Fig in INR Cr (unless specified)	FY23	FY24	FY25
Income Statement							
Revenue	255.4	525.1	598.3	Adjusted EPS (INR)	(11.1)	(7.5)	1.7
YoY Growth (%)	14.5	105.6	13.9	Adjusted Cash EPS (INR)	(6.4)	(0.4)	9.3
Raw Material Cost	0.0	0.0	0.0	Adjusted BVPS (INR)	23.5	68.0	71.7
RM Cost to Sales (%)	0.0	0.0	0.0	Adjusted CFO per share (INR)	(2.5)	12.2	(5.8)
Employee Cost	188.4	271.9	295.5	CFO Yield (%)	(0.4)	2.1	(1.0)
Employee Cost to Sales (%)	73.8	51.8	49.4	Adjusted FCF per share (INR)	(4.8)	9.6	(10.5)
Other Expenses	136.2	265.0	237.8	FCF Yield (%)	(0.8)	1.7	(1.8)
Other Exp to Sales (%)	53.3	50.5	39.7				
EBITDA	(69.2)	(11.8)	65.0	Solvency Ratio (X)			
Margin (%)	(27.1)	(2.3)	10.9	Total Debt to Equity	0.8	0.1	0.2
YoY Growth (%)	35.6	(82.9)	(649.1)	Net Debt to Equity	0.5	(0.3)	(0.2)
Depreciation & Amortization	36.7	56.1	60.1	Net Debt to EBITDA	(1.5)	14.7	(1.8)
EBIT	(105.9)	(67.9)	4.9				
Margin (%)	(41.5)	(12.9)	0.8	Return Ratios (%)			
YoY Growth (%)	32.8	(35.9)	(107.2)	Return on Equity	(47.0)	(11.0)	2.3
Other Income	10.9	10.3	13.6	Return on Capital Employed	(29.6)	(10.0)	1.0
Bill discounting & other charges	11.2	17.7	7.8	Return on Invested Capital	(36.8)	(18.6)	1.1
Fin Charges Coverage (X)	(9.4)	(3.8)	0.6				
Exceptional Item	11.4	0.0	0.0	Working Capital Ratios			
PBT	(94.9)	(75.3)	10.7	Payable Days (Nos)	84	51	31
Margin (%)	(37.2)	(14.3)	1.8	Inventory Days (Nos)	0	0	0
YoY Growth (%)	(8.0)	(20.7)	(114.2)	Receivable Days (Nos)	115	101	98
Tax Expense	(6.3)	(6.9)	(3.5)	Net Working Capital Days (Nos)	30	51	67
Tax Rate (%)	6.7	9.2	(32.5)	Net Working Capital to Sales (%)	8.3	13.9	18.5
PAT	(88.6)	(68.4)	14.2				
Margin (%)	(34.7)	(13.0)	2.4	Valuation (X)			
YoY Growth (%)	(12.2)	(22.8)	(120.7)	P/E	(52.2)	(77.1)	344.5
Min Int/Sh of Assoc	0.8	9.0	(0.9)	P/BV	24.5	8.5	8.1
Net Profit	(87.7)	(59.4)	13.3	EV/EBITDA	(67.6)	(372.1)	68.7
Margin (%)	(34.3)	(11.3)	2.2	EV/Sales	18.3	8.4	7.5
YoY Growth (%)	(13.0)	(32.3)	(122.4)				
Balance Sheet							
Share Capital	10.6	14.6	14.7	PBT	(94.9)	(75.3)	10.7
Total Reserves	176.0	524.3	553.6	Adjustments	99.2	217.1	(22.6)
Shareholders Fund	186.6	539.0	568.2	Change in Working Capital	(30.7)	(51.6)	(37.7)
Long Term Borrowings	43.2	4.2	1.3	Less: Tax Paid	6.3	6.9	3.5
Deferred Tax Assets / Liabilities	6.2	8.8	6.5	Cash Flow from Operations			
Other Long Term Liabilities	2.1	2.7	3.3	Net Capital Expenditure	(28.2)	(36.7)	(47.4)
Long Term Trade Payables	0.0	0.0	0.0	Change in Investments	(65.4)	(147.8)	111.0
Long Term Provisions	4.3	6.6	8.1	Cash Flow from Investing	(93.6)	(184.5)	63.6
Total Liabilities	242.4	561.2	587.4	Change in Borrowings	65.8	101.7	16.1
Net Block	223.7	301.2	300.9	Less: Finance Cost	(11.2)	(17.7)	(7.8)
Capital Work in Progress	0.0	0.0	0.0	Proceeds from Equity	82.1	133.7	5.0
Intangible assets under development	5.5	3.1	0.0	Buyback of Shares	0.0	0.0	0.0
Non Current Investments	0.0	0.0	0.0	Dividend Paid	0.0	0.0	0.0
Long Term Loans & Advances	74.7	6.7	19.9	Cash flow from Financing	136.6	217.8	13.3
Other Non Current Assets	12.6	94.3	99.0	Net Cash Flow	22.9	130.4	30.6
Net Current Assets	(74.2)	156.0	167.5	Forex Effect	(5.9)	4.1	2.8
Total Assets	242.4	561.2	587.4	Opening Balance of Cash	29.2	46.2	180.7
				Closing Balance of Cash	46.2	180.7	214.1

Source: Ventura Research

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