

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING (13<sup>TH</sup> AGM) OF MEMBERS OF THE CAPILLARY TECHNOLOGIES INDIA LIMITED WILL BE HELD ON FRIDAY, MAY 30, 2025 AT 10:30 A.M. (IST) THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS, TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

**1. To Consider and Adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2025 and the Reports of the Board of Directors and Auditors thereon;**

To consider, and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2025 along with the reports of the Board of Directors and the Auditors thereon, as circulated to the Members, be considered and adopted.”

**2. To consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2025 and the Report of the Auditors thereon**

To consider, and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2025 alongwith the reports of the Auditors thereon as circulated to the Members, be considered and adopted.”

**3. To appoint a Director in place of Mr. Anant Choubey (DIN: 06536413), who retires by rotation and being eligible, offers himself for re-appointment.**

To consider and, if thought fit, to pass the following Resolution as an **Ordinary**

Capillary Technologies India Limited  
(Formerly Known as Capillary Technologies India Private Limited)  
CIN- U72200KA2012PLC063060  
Regd. Office 360, bearing PID No:101, 360, 15th Cross Rd, Sector 4,  
HSR Layout, Bengaluru, Karnataka 560102

1800 419 4450  
Email: [Investorrelations@capillarytech.com](mailto:Investorrelations@capillarytech.com)  
Website: [www.capillarytech.com](http://www.capillarytech.com)



**Resolution:**

**“RESOLVED THAT** Mr. Anant Choubey (DIN: 06536413), Whole Time Director, Chief Financial Officer and Chief Operating Officer of the Company, who is liable to retire by rotation at this Annual General Meeting, being eligible, offered himself for re-appointment, be and is hereby re-appointed as director of the Company, liable to retire by rotation.”

**SPECIAL BUSINESS:**

**4. To appoint M/s. BMP & Co. LLP as secretarial auditor of the company.**

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

**“RESOLVED THAT** pursuant to the provisions of 204 and other applicable provisions, if any, of the Companies Act, 2013 read with the rule 9 of the companies (Appointment and Remuneration of managerial personnel) Rules 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force) (the “Act”), Memorandum and Articles of Association of the Company, as amended, and on the basis of recommendation of the Audit Committee and approval of the Board of Directors of the Company, consent of the members of the Company, be and is hereby accorded to appoint M/s. BMP & Co. LLP, Company Secretaries, Bengaluru (LLPIN: AAI-4194), as the Secretarial Auditors of the Company for a period of Five (5) years commencing from the conclusion of Thirteenth (13<sup>th</sup>) Annual General Meeting (AGM) of the Company till the conclusion of the Eighteenth (18<sup>th</sup>) AGM of the Company to be held in the year 2030, to conduct a Secretarial Audit of the Company and to furnish the Secretarial Audit Report.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to them during their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the

said Secretarial Auditors.

**RESOLVED FURTHER THAT** any Directors or Company Secretary of the Company be and is hereby authorized to file necessary forms with Registrar of Companies and to do all such act, deeds and things as may be considered necessary to give effect to the above said resolution.”

**5. To consider and approve alteration of Article of Association of the Company.**

To consider and if thought fit to pass with or without modification(s) the following resolution as a “**Special Resolution**”

“**RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modifications or re- enactment thereof for the time being in force), and subject to the necessary approval(s), permissions, consents and sanctions required, if any by the statutory authority and all other applicable laws and regulations if any, approval of the members of the Company be and is hereby accorded for effecting the following amendments in the existing Articles of Association of the Company:-


**To delete the following sub-clauses under Article 145 in Section XX of the Board of Directors in the Articles of Association of the Company:**

,of whom;

a. Capillary Technologies International Pte. Ltd. (“the Promoter”) shall nominate appointment of Directors in the following manner (“Promoter Nominee Directors”):

i. at least 2 (two) Directors, so long as the Promoter holds at least 20.00% (twenty per cent) of the total issued and paid-up equity share capital of the Company on a fully diluted basis;

ii. at least 1 (one) Director, so long as the Promoter holds less than 20.00%(twenty per cent) but more than or equal to 5% (five per cent) of the total issued and paid-



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up equity share capital of the Company on a fully diluted basis and continues to be the promoter of the Company.

b. the Founder, being Aneesh Reddy Boddu, shall have a right to nominate appointment of one Director ("Founder Director") so long as he holds at least 3.00% (three per cent) of the total issued and paid-up equity share capital of the Company directly or indirectly and until he is employed and/or associated in any advisory capacity with the Company and/or its Subsidiaries, in senior executive capacities.

Provided that each such Promoter Nominee Director and Founder Director shall be liable to retire by rotation in accordance with Applicable Law, subject to reappointment, any such retirement without prejudice to the right of the Promoter or the Founder to nominate the Promoter Nominee Directors or the Founder Director as the case may be, for so long as they hold the abovementioned thresholds. Such Promoter Nominee Directors or the Founder Director shall be entitled to nominate alternate directors. Further, the abovementioned right of the Promoter to appoint Promoter Nominee Directors and the Founder to appoint the Founder Director shall be subject to the receipt of the shareholders' approval by way of special resolution, in the first general meeting of the Company held after successful listing and trading pursuant to the completion of the initial public offering of the Company.

**"RESOLVED FURTHER THAT** the approval of the members of the Company be and is hereby accorded for the realignment and reformatting of the existing Articles of Association (AOA) to align with the e-AOA format as prescribed and made available on the Ministry of Corporate Affairs (MCA) portal, and the same be and is hereby approved.

**"RESOLVED FURTHER THAT** the Director or Company Secretary of the Company be and is hereby authorised to take such steps expedient or desirable to give effect to this resolution."

**6. To consider and approve amendment to Annexure -B of Capillary Employee Stock Option Plan ("ESOP 2021"/ "Scheme"):**

To consider and if thought fit to pass with or without modification(s) the following resolution as a **"Special Resolution"**.

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**“RESOLVED THAT** pursuant to Section 62(l)(b) of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended (“SEBI SBEB Regulations”) for the time being in force and as may be modified from time to time, provisions contained in the memorandum of association and the articles of association of the Company, and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded to adopt the amended Appendix -B of the “Capillary Employees Stock Option Scheme - 2021” (“ESOP 2021”/ “Scheme”), which is applicable to eligible Employees and eligible Directors who are tax residents of the United States of America or otherwise subject to income taxation by the United States of America (each a “U.S. Person”).

**RESOLVED FURTHER THAT** it is hereby noted that the terms of amendments are not prejudicial to the interests of the option holders.

**RESOLVED FURTHER THAT** except for Appendix B all the terms and conditions which were approved by the shareholders at the Extra Ordinary General Meeting held on April 10, 2025 shall remain unaltered.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board,” which term shall include any Committee thereof duly authorized by the Board) be and is hereby authorized to do all such acts, deeds, matters, and things, and to sign, execute, and deliver all necessary documents, agreements, deeds, and writings, including but not limited to making necessary filings with regulatory authorities, to give effect to this resolution and to settle any questions, difficulties, or doubts that may arise in this regard, without requiring any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers conferred under this resolution to any Director(s) or officer(s) of the Company as may be deemed necessary or desirable to give effect to this resolution.”



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**7. To approve the payment of Commission to Non-Executive Directors of the Company.**

To consider and if thought fit to pass with or without modification(s) the following resolution as a **“Special Resolution”**.

**“RESOLVED THAT** pursuant to the provisions of Section 197 and 198 of the companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the rules notified thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if any, as amended from time to time and, subject to other approvals as may be required, and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded to pay commission to the Non-Executive Directors of the Company to be determined by the Board of Directors for each of such Non-Executive Director for each financial year and distributed between such Directors in such a manner as the Board of Directors may from time to time determine of an amount not exceeding INR 30 lakhs per annum to each Non-Executive Director for the financial years 2025-26 and thereafter, which may be in excess of 1% of the net profits of the Company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and the said commission or otherwise is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof and the said commission be paid in such amount, proportion and manner as may be decided by the Board of Directors of the Company from time to time;

**RESOLVED FURTHER THAT** the consent of the members of the Company be and is hereby accorded for payment of aforesaid commission even if due to the above payment, the total managerial remuneration is in excess to the overall- limit specified in section 197 of the Companies Act, 2013 for respective year.

**RESOLVED FURTHER THAT** in the event if in any of the financial year, there are no profits or profits are inadequate, the Company shall pay Commission or otherwise to the Non-Executive Directors of the Company, (other than the Managing Director and the Whole-time Directors) in accordance with the limits



specified in Schedule V to the Companies Act, not exceeding INR 30 lakhs per annum to each Non-Executive Director for the financial years 2025-26 and thereafter and the said remuneration is in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board of Directors or Committees thereof.

**RESOLVED FURTHER THAT** the Board ( which term shall include the Nomination and Remuneration Committee of the Board) be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution.”

**8. TO CONSIDER AND APPROVE INCREASE OF EMPLOYEE STOCK OPTION PLAN-2021 POOL BY 5% OF THE CURRENT TOTAL SHARES OF THE COMPANY.**

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a ‘**Special resolution**’:

**"RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act 2013, and Rules framed there under, the Memorandum and Articles of Association of the Company, Foreign Exchange Management Act, 1999, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as “SEBI SBEB Regulations”), issued by the Securities and Exchange Board of India (“SEBI”) and subject to such other approvals, permissions and sanctions as may be necessary from time to time and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members be and is hereby accorded to increase in the existing ESOP pool under the “Capillary Employees Stock Option


Scheme – 2021” from 32,60,000 (Thirty-Two Lakhs Sixty Thousand) options to 72,91,000 (Seventy-Two Lakhs Ninety-One Thousand) options.

**RESOLVED FURTHER THAT** such increase in the ESOP pool is not prejudicial to the interests of the existing option holders.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the “Board,” which term shall include any Committee thereof duly authorized by the Board) be and is hereby authorized to do all such acts, deeds, matters, and things, and to sign, execute, and deliver all necessary documents, agreements, deeds, and writings, including but not limited to making necessary filings with regulatory authorities, to give effect to this resolution and to settle any questions, difficulties, or doubts that may arise in this regard, without requiring any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of its powers conferred under this resolution to any Director(s) or officer(s) of the Company as may be deemed necessary or desirable to give effect to this resolution.”

**By order of the Board of Directors  
For Capillary Technologies India Limited**



**BHARGAVI REDDY GIREDY**

**Company Secretary, M. No- 17091**

**Date: April 30, 2025**

**Place: Bengaluru**

**Registered Office: 360, bearing PID No: 101, 360,**

**15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka- 560102**

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**NOTES:**


a) Pursuant to the General Circular No. 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs (MCA), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The proceedings of the AGM will be deemed to be conducted at the registered office of the Company at 360, bearing PID No: 101, 360, 15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka- 560102, which shall be deemed venue of the AGM.

b) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, given hereunder sets out material facts relating to the resolutions mentioned at Item Nos. 4 to 8 of the accompanying Notice. The relevant details, pursuant to Secretarial Standard-2 on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment/re-appointment at this AGM are also annexed.

c) PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

d) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

e) The following documents will be available for inspection by the Members



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electronically during the 13th AGM. Members seeking to inspect such documents can send an email to [secretarial@capillarytech.com](mailto:secretarial@capillarytech.com)

i) Statutory registers maintained under the Companies Act, 2013.

ii) All such documents referred to in this Notice and the Explanatory Statement.

f) The Notice for this Meeting along with requisite documents and the Annual Report for the financial year ended 2024-25 shall also be available on the Company's website.

g) Pursuant to Section 113 of the Companies Act, 2013, corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the meeting.

h) The voting for AGM shall be through show of hands and/or online consents through chat box unless a poll is demanded under section 109. All shareholders attending the AGM will have the option to post their comments / queries through a dedicated Chat box that will be available below the Meeting Screen.

i) The Company will allot time for members to express their views or give comments during the meeting. The members who wish to speak at the meeting need to register themselves as a speaker by sending an e-mail from their registered e-mail ID mentioning their name, DP ID and Client ID/ Folio number and mobile number, on e-mail ID, [secretarial@capillarytech.com](mailto:secretarial@capillarytech.com) on or before 11.00 a.m. on Monday, May 26, 2025. Depending on the availability of time, the Company reserves the right to restrict the number of speakers at the meeting.

i) Link for attending the AGM is mentioned below:

Join Google Meet

link: <https://meet.google.com/sqw-mvmc-zes>

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**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS  
PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:-**

The explanatory statements are provided below for Item no. 4 to 8 as per Section 102(1) of the Companies Act, 2013:

**4. To appoint M/s. BMP & Co. LLP as secretarial auditor of the company.**

Pursuant to the provisions of 179, 204 and other applicable provisions, if any, of the Companies Act, 2013 read with the rule 9 of the companies (Appointment and Remuneration of managerial personnel) Rules 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), on the recommendation of the Audit Committee, and the Board in its meeting held on April 30, 2025 has approved the appointment of M/s. BMP & Co. LLP, Practicing Company Secretaries as the Secretarial Auditors of the Company ("Secretarial Auditors") subject to approval of shareholders of the Company, for a period of five consecutive years, to hold office from the conclusion of the 13th Annual General Meeting of the Company till the conclusion of 18th Annual General Meeting of the Company to be held for Financial Year 2029-30.

As per the amended Regulation 24A of the Listing Regulations, the Company is required to undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and annex a Secretarial Audit Report in such form as specified by SEBI, with the annual report of the Company.

M/s. BMP & Co. LLP have consented to the said appointment and confirmed that their appointment, if made, would be within the limit specified by the Institute of Companies Secretaries of India. They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in term of provisions of the Companies Act, 2013, the Companies Secretaries Act, 1980 and Rules and Regulations made thereunder and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Circular.

Brief profile of M/s. BMP & Co. LLP, Company Secretaries in practice as under:

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M/s. BMP & Co. LLP is a firm of Practising Company Secretaries which is primarily engaged in providing professional services in the field of Corporate Laws, SEBI Regulations, FEMA Regulations including carrying out IPO Services, Secretarial Audits, Due Diligence Audit and Compliance Audits for various reputed Companies. The Firm is peer reviewed by the Institute of the Company Secretaries of India.

Members are requested to approve the appointment of M/s. BMP & Co. LLP, Practising Company Secretaries as the Secretarial Auditors of the Company (“Secretarial Auditors”), for a period of five consecutive years.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No 4 of the Notice.

The Board recommends the passing of this Resolution at **Item No. 4** of the accompanying Notice in the interest of the Company

**5. To approve adoption of new Article of Association of the Company.**

In terms of the provisions of Section 14 of the Companies Act, 2013 (“the Act”) amendment in the Article of Association by the Shareholders by passing of Special Resolution in the General Meeting. The Board of Directors in its meeting held on April 30, 2025 had accorded its approval in relation to the amendment in Article of Association, subject to the approval of the members of the Company. Accordingly, the consent of the members of the Company is sought.

The details of the amendment in the existing Article of Association of the Company are as follows:

Clause no.	Existing Clause	Proposed Clause
Sub Clause 145 in XX of Board of Directors	Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), of whom:	Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than

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	<p>a. Capillary Technologies International Pte. Ltd. ("the Promoter") shall nominate appointment of Directors in the following manner ("Promoter Nominee Directors"):</p> <p>i. at least 2 (two) Directors, so long as the Promoter holds at least 20.00% (twenty per cent) of the total issued and paid-up equity share capital of the Company on a fully diluted basis;</p> <p>ii. at least 1 (one) Director, so long as the Promoter holds less than 20.00%(twenty per cent) but more than or equalx to 5% (five per cent) of the total issued and paid-up equity share capital of the Company on a fully diluted basis and continues to be the promoter of the Company.</p> <p>b. the Founder, being Aneesh Reddy Boddu, shall have a right to nominate appointment of one Director ("Founder Director") so long as he holds at least 3.00% (three per cent) of the total issued and paid-up equity share capital of the Company directly or indirectly and until he is employed and/or associated in any advisory capacity with the</p>	<p>15 (fifteen).</p> <p>Provided further that the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.</p>
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	<p>Company and/or its Subsidiaries, in senior executive capacities.</p> <p>Provided that each such Promoter Nominee Director and Founder Director shall be liable to retire by rotation in accordance with Applicable Law, subject to reappointment, any such retirement without prejudice to the right of the Promoter or the Founder to nominate the Promoter Nominee Directors or the Founder Director as the case may be, for so long as they hold the abovementioned thresholds. Such Promoter Nominee Directors or the Founder Director shall be entitled to nominate alternate directors. Further, the abovementioned right of the Promoter to appoint Promoter Nominee Directors and the Founder to appoint the Founder Director shall be subject to the receipt of the shareholders' approval by way of special resolution, in the first general meeting of the Company held after successful listing and trading pursuant to the completion of the initial public offering of the Company.</p>	
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	<p>Provided further that the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.</p>	
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A copy of the proposed amended Article of Association ('AOA') of the Company is available for inspection at registered office of the Company between 11:00 a.m. and 5:00 p.m. on all working days up to the date of the Annual General Meeting.

The Board of Director's at their Board meeting held on April 30, 2025 has approved the amended AOA, subject to the approval of members of the Company.

None of the Promoters, Directors, key managerial personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed '**Special resolution**' except to the extent of equity shares held by them in the Company.

The Board of Directors of the Company recommends passing of the '**Special resolution**' as set out at **item no. 5** of the Notice.

**6. To consider and approve amendment to Annexure –B of Capillary Employee Stock Option Plan ("ESOP 2021"/ "Scheme"):**

The Company proposes to undertake an Initial Public Offering (IPO) of Equity Shares. As per the requirements under the SEBI (ICDR) Regulations, the Company's ESOP plan must be in compliance with these regulations. The existing Appendix -B, which relates to the granting of RSUs to employees who are tax residents of the United States of America or otherwise subject to income taxation by the United States, does not fully satisfy SEBI's requirements.

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Therefore, amendments are proposed to bring the plan into compliance with SEBI (ICDR) Regulations, as well as to ensure alignment with US tax laws.

The Members are further informed that except for Appendix B all the terms and conditions which were approved by the shareholders at the Extra Ordinary General Meeting held on April 10, 2025 shall remain unaltered.

The Key amendment are as mentioned below:

Particulars	Existing	Proposed
Plan Name	Restricted Stock Unit Plan	Employee Stock Unit Plan
Settlement Definition	Issuance of Shares only	Issuance of <b>Shares</b>
New Term Introduced	Not defined	<b>“Vesting Price”</b> – defined as the Face Value of a Share on the grant date
Vesting Conditions	- as per grant letter with a minimum 1 year cliff <b>and</b>  - Based on earlier of Liquidity Event or 7 years  Liquidity event in this case in change of control as per US code	Specified in Grant Letter with a minimum 1 year cliff.
	<b>Death or Permanent incapacitation while in the employment</b> leads to accelerated vesting , 1 year cliff will not apply	No change
	<b>Cause-based Termination</b>	No change



	All RSUs (vested/unvested) lapse	
	<b>Leave Treatment</b> Sabbatical not counted; earned/sick leave counted unless decided otherwise	No change
	<b>Intra-group Transfer</b> Vesting continues per original schedule	No change
	<b>Corporate Restructuring</b> Prior holding period may be counted at Administrator's discretion	No change, subject to Committee's discretion
Accelerated Vesting	Not permitted except under Section 409A of US Code	No change
Settlement Mechanics	- Shares issued on vesting - No settlement before 6 months post-separation (for specified employees)	- <b>Shares</b> may be issued on vesting - <b>Vesting Price</b> payable on settlement - Forfeiture if not paid
IPO Choice Clause	If employee declines shares during IPO settlement, RSUs lapse	No IPO reference
'Exercise' Reference	For certain sections, "exercise" treated as "settlement"	No change

A copy of the proposed amended Appendix – B is available for inspection at registered office of the Company between 11:00 a.m. and 5:00 p.m. on all working

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days up to the date of the Annual General Meeting.

The Board of Director's at their Board meeting held on April 30, 2025 has approved the amended Annexure –B of Capillary Employee Stock Option Plan ("ESOP 2021"/ "Scheme"), subject to the approval of members of the Company.

None of the Promoters, Directors, key managerial personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed '**Special resolution**' except to the extent of equity shares held by them in the Company.

The Board of Directors of the Company recommends passing of the '**Special resolution**' as set out at **item no. 6** of the Notice.

**7. To approve the payment of Commission to Non-Executive Directors of the Company.**

In view of the enhanced Corporate Governance requirements under the Companies Act, 2013 ("the Act") coupled with the growing operations of Capillary Group, the role and responsibilities of the Board, particularly Non-executive directors( including Independent Directors) has become more arduous, requiring greater time commitments, attention and a higher level of oversight.

The Company's Non-executive Directors are professionals with high level of expertise and have rich experience in functional areas such as business strategy, business development, corporate governance, finance & taxations, risk management amongst others.

Non-executive Directors are actively involved in various decision-making process and are making valuable contributions towards business development, governance, long term strategy and compliance.

Regulatory requirements, corporate governance norms have been strengthened by the Companies Act, 2013 (Act) and the SEBI LODR with key emphasis on effective governance, risk management, statutory compliances etc. and thereby placing increased accountability on the Board. The role and responsibilities of the Board particularly the Non-executive directors have increased more requiring

greater time commitments and attention, which reflects in the financial performance.

In the view of above, Management proposes to pay commission or otherwise to Non-Executive Directors of the Company as prescribed under section 197 of the Companies Act, 2013.

The Management proposes to pay remuneration not exceeding INR 30 lakhs per annum to each Non-Executive Director for the financial years 2025-26 and thereafter. It is clarified that sitting fees and reimbursement of expenses for attending Board and Committee meetings shall be paid in addition to the above remuneration and are outside the scope of these limits.


Pursuant to Section 197 of the Companies Act, 2013, the total Managerial remuneration payable by a public company, to its directors, including Managing Director, Whole Time Director and its Manager, in respect of any financial year shall not exceed 11% of the net profits of the Company for that financial year computed in the manner laid down in Section 198. Further, the Company in general meeting may, authorise the payment of remuneration exceeding 11% of the net profit of the Company, subject to provision of Schedule V.

As per Section 197 of the Companies Act, 2013, the threshold limit for payment of commission to Non-Executive Directors is 1% of the net profits of the Company where there is a Managing Director. This limit may be exceeded with the approval of shareholders by way of a special resolution. Sitting fees paid to Non-Executive Directors are outside the purview of these statutory limits.

In the event of no profits or inadequate profits, the Company may pay remuneration to Non-Executive Directors in accordance with the limits prescribed under Schedule V of the Companies Act, 2013.

Information required under Section II, part II of Schedule V of the Companies Act, 2013 is enclosed as **Annexure-B** to this notice.

Given that the Company has inadequate profits to pay the proposed remuneration, and as the proposed amount exceeds the limits specified in



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Schedule V, approval of shareholders by way of a special resolution is required.

Accordingly, Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meeting held on Wednesday, April 30, 2025 and Wednesday, April 30, 2025, approved and recommended for approval of the Members of the Company, payment of remuneration or otherwise to the Non-Executive Directors of the Company.

Except the Managing Director and Key Managerial Personnel of the Company and their relatives, all Non-Executive Directors along with their relatives, are deemed to be concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of this Special Resolution at **Item No. 7** of the accompanying Notice in the interest of the Company.


**8. To consider and approve increase of Employee stock option plan -2021 (ESOP) pool by 5% of the current total shares of the Company:**

The Board Members proposes to increase the ESOP pool by an additional 5% of the current total share capital of the Company, amounting to 40,31,000 options. This is based on the present share capital of 7,65,89,138 shares( Fully diluted basis). Post this proposed increase, the total ESOP pool will comprise 72,91,000 options, representing approximately 9.04% of the current total shares.

As the Company is actively contemplating an IPO, the management believes it is prudent to enhance the ESOP pool at this stage to adequately incentivize and retain key talent. In light of this, we request the Committee Members to deliberate on the proposal and, subject to your approval, recommend the same for consideration and final approval of the Board of Directors.

Please note, there will be no other changes to the existing ESOP scheme, apart from the increase in the ESOP pool from 32,60,000 options to 72,91,000 options.

None of the Promoters, Directors, key managerial personnel and their relatives, if any, are deemed to be concerned or interested, financial or otherwise in the proposed '**Special resolution**' except to the extent of equity shares held by them



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in the Company.

The Board of Directors of the Company recommends passing of the '**Special resolution**' as set out at item no. 8 of the Notice.

**By order of the Board of Directors  
For Capillary Technologies India Limited**



**BHARGAVI REDDY GIREDY**

**Company Secretary, M. No- 17091**

**Date: April 30, 2025**

**Place: Bengaluru**

**Registered Office: 360, bearing PID No: 101, 360,**

**15th Cross Rd, Sector 4, HSR Layout, Bengaluru, Karnataka- 560102**

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**Annexure-A****Details of Directors seeking appointment / re-appointment as required under Secretarial Standard-2 issued by the Institute of Company Secretaries of India.**

Sr. No	Particulars	Anant Choubey
01.	Age	38
02.	Qualifications	Mr. Anant is an Industrial Engineering and Management graduate from Indian Institute of Technology, Kharagpur
03.	Experience	Over a decade
04.	Terms and conditions of appointment	Not Applicable
05.	Remuneration	As per the resolution approved in 12 <sup>th</sup> Annual General Meeting ('AGM')
06.	Remuneration last drawn, if applicable	INR. 1,29,38,068 p.a.
07.	Date of First appointment on the Board	January 02, 2020
08.	Shareholding in the Company	9,18,732 (1.25%)
09.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Anant Choubey is not related to any of the Directors and Key Managerial Personnel of the Company.
10.	The number of Meetings of the Board attended during the year	Nine
11.	Other Directorships, Membership/ Chairmanship of Committees of other Boards	1. Reasoning Global Eapplications Private Limited 2. Capillary Technologies (Malaysia) SDN BHD 3. PT Capillary Technologies Indonesia ("Capillary Indonesia") 4. Capillary Technologies Europe Limited 5. Capillary Brierley Inc. USA 6. Capillary Technologies (Shanghai) Co., Ltd

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## Annexure-B

### Disclosure(s) in terms of Section 197 read with Schedule V to the Companies Act, 2013 & applicable Rules thereunder:

#### I. General Information

Nature of industry	Capillary Technologies India Limited is a technology-first company that delivers AI based cloud-native SaaS programs and solutions - leading the automated Loyalty Management and customer data platform.
Date or expected date of commencement of commercial production	Existing Company in operation from March 15, 2012
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable
Financial performance based on given indicators	In the financial year 2024-2025, the Company made a turnover of (in millions) INR. 1,750.30/- and Profit of (in million) INR 44.54/- after tax.
Foreign investments or collaborations, if any.	The Company has a 100% wholly-owned subsidiary in Singapore, Capillary Pte. Ltd., in turn, has several subsidiaries located in various geographies.

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## II. Information about the appointee:

Particulars	Mrs. Neelam Dhawan	Mrs. Yamini Preethi Natti
<b>Background details</b>	Neelam Dhawan is the Chairperson and an Independent Director of our Company. She holds a bachelor's degree in arts (honours course) and a master's degree in business administration from the University of Delhi. She has been associated with our Company since December 10, 2021. She was previously associated with Hewlett-Packard Enterprise India Private Limited as their vice-president, sales, and with HP India Sales Private Limited, Hewlett-Packard Enterprise India Private Limited, Microsoft Corporation (India) Private Limited as their managing director. He has over 26 years of experience in the field of sales operations, business development, and revenue growth initiatives.	Yamini Preethi Natti is an Independent Director of our Company. She holds a bachelor's degree in computer science engineering from the Birla Institute of Technology and Science, Pilani and a post-graduate diploma in management from the Indian Institute of Management, Bangalore. She has been associated with our Company since December 10, 2021. She is also the co-founder and chief executive officer of Vymo Inc. She was previously associated with McKinsey and Company, Inc. She has over 9 years of experience in the field of client relationship management, strategic planning, business development, organizational leadership.
<b>Past remuneration</b>	No Remuneration paid, only sitting fees paid.	No Remuneration paid, only sitting fees paid.
<b>Recognition or awards</b>	Nil	Nil

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<b>Job profile and his suitability</b>	Please refer Background details above	Please refer Background details above
<b>Remuneration proposed</b>	As stated in the Resolution Item No. 7 of this Notice	As stated in the Resolution Item No. 7 of this Notice
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.
<b>Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any.</b>	Mrs. Neelam Dhawan is not related to any of the Directors and Key Managerial Personnel of the Company.	Mrs. Yamini Preethi Natti is not related to any of the Directors and Key Managerial Personnel of the Company.

<b>Particulars</b>	<b>Mr. Farid Lalji Kazani</b>	<b>Mr. Venkat Ramana Tadanki</b>
<b>Background details</b>	<b>Farid Lalji Kazani</b> in an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of	<b>Venkat Ramana Tadanki</b> is an Independent Director of our Company. He holds a bachelor's degree in arts (honours course) from the

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	<p>Mumbai. He is also an [associate member] of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India. He has been associated with our Company since December 10, 2021. He has been bestowed the “India CFO Award for Excellence in Mergers and Acquisitions” by IMA India in 2016, the “Best Digital Transformation Critical Finance Expert” award by Acquisitions International Magazine, UK at the 2019 Global CFO Excellence Awards and was recognised by 9.9 Media in the “CFO100 Roll of Honour” for the years 2013, 2015, 2016, 2017, 2018 and 2019 respectively. He is also currently serving as the executive vice-president of Course5 Intelligence Private Limited. He was previously associated with Majesco Limited in the capacity of managing director, RPG Enterprises Limited in the capacity of vice-president (Corporate Finance), BPL Mobile Communications Limited as their head, corporate finance, First source</p>	<p>University of Delhi and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He is also a charter member of TiE SoCal, Southern California and founder member of TiE SoCal Angels and director of TiE SoCal Angels Fund. He has been associated with our Company since December 10, 2021. He was previously associated with ITC Limited, Daksh.com E-Services Private Limited, and Pepsico India Holdings Private Limited, serving in various roles. He has over 15 years of experience in the field of overseeing distribution logistics, managing international trade and export operations, brand strategy and market expansion initiatives.</p>
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	Solutions Limited in the capacity of chief financial officer (India) and also with Piramal Enterprises Limited and National Organic Chemical Industries Limited. He has over 3 decade of experience in the field of corporate finance, audit and assurance.	
<b>Past remuneration</b>	No Remuneration paid, only sitting fees paid.	No Remuneration paid, only sitting fees paid.
<b>Recognition or awards</b>	Please refer Background details above	NIL
<b>Job profile and his suitability</b>	Please refer Background details above	Please refer Background details above
<b>Remuneration proposed</b>	As stated in the Resolution Item No. 7 of this Notice	As stated in the Resolution Item No. 7 of this Notice
<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)</b>	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.
<b>Pecuniary</b>	Mr. Farid Lalji Kazani is not	Mr. Venkat Ramana Tadanki

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<b>relationship directly or indirectly with the company, or relation with the managerial personnel, if any.</b>	related to any of the Directors and Key Managerial Personnel of the Company.	is not related to any of the Directors and Key Managerial Personnel of the Company.
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### III. Other information:

<b>Reasons of loss or inadequate profits</b>	During the financial year ended March 31, 2025, the Company achieved profitability. However, the profits are insufficient to cover the proposed remuneration for the Independent Directors. Accordingly, this proposal is being made in accordance with the applicable provisions of Schedule V.
<b>Steps taken or proposed to be taken for improvement</b>	The Company has undertaken significant measures to reduce costs and enhance revenue in alignment with the services provided.
<b>Expected increase in productivity and profits in measurable terms</b>	Company is expected to show progressive recovery of demand and underlying business results.

