

## CERTIFICATE ON THE ELIGIBILITY FOR THE OFFER

Date: November 7, 2025

To,  
**The Board of Directors,**  
**Capillary Technologies India Limited**  
#360 bearing PID No 101, 360  
15th Cross Rd, Sector 4, HSR Layout  
Bengaluru -560102  
Karnataka, India

And

**JM Financial Limited**  
7th Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**IIFL Capital Services Limited (formerly known as IIFL Securities Limited)**  
24th Floor, One Lodha Place  
Senapati Bapat Marg, Lower Parel (West)  
Mumbai - 400 013  
Maharashtra, India

**Nomura Financial Advisory and Securities (India) Private Limited**  
Ceejay House, Level 11  
Plot F, Shivsagar Estate  
Dr. Annie Besant Road  
Worli, Mumbai - 400 018  
Maharashtra, India

*(JM Financial Limited, IIFL Capital Services Limited (formerly known as IIFL Securities Limited), Nomura Financial Advisory and Securities (India) Private Limited and any other book running lead managers appointed by the Company are collectively referred to as the “Book Running Lead Managers” or the “BRLMs”)*

**Re: Proposed initial public offering of equity shares of face value of ₹2 each (the “Equity Shares”) of Capillary Technologies India Limited (the “Company”) by way of a fresh issue of Equity Shares (the “Fresh Issue”) and/ or an offer for sale by certain existing shareholders of the Company (the “Selling Shareholders” and such offer for sale, the “Offer for Sale”, together with Fresh Issue, the “Offer”)**

We, Saini Pati Shah & Co LLP, *Chartered Accountants* have been informed that the Company has filed the Draft Red Herring Prospectus with respect to the Offer (the “**DRHP**”) with the Securities and Exchange Board of India (“**SEBI**”), BSE Limited and National Stock Exchange of India Limited (collectively, the “**Stock Exchanges**”) in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) and applicable laws, and proposes to file the Red Herring Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies, Karnataka at Bengaluru (“**Registrar of Companies**”) and such Red Herring Prospectus, the “**RHP**”); and subsequently proposes to file the Prospectus with the SEBI, the Stock Exchanges and the Registrar of Companies (the “**Prospectus**”); and any other documents or materials to be issued in relation to the Offer (collectively with the DRHP, RHP and Prospectus, the “**Offer Documents**”).

Our responsibility is to form an opinion as to whether the eligibility requirements as mentioned under Regulation 6(1) of the ICDR Regulations have been complied with and in order to certify that the Company satisfies the eligibility criteria set out in Regulation 6(1) of the ICDR Regulations, we have performed the following procedures:

1. Traced the amounts for items included in **Annexure A, Annexure B, Annexure C** and **Annexure D**, compiled by management of the Company, from the restated consolidated financial statements (the “**Restated Financial Information**”) as at and for the six months period ending September 30, 2025, and September 30, 2024 and for the years ending March 31, 2025, March 31, 2024 and March 31, 2023. Financial statements for the six months ending September 30, 2025, and September 30, 2024 and for the year ending March 31, 2025, March 31, 2024 and March 31, 2023 were prepared by management of the Company and were audited by Walker Chandiook & Co. LLP vide their report dated October 19, 2025, April 30, 2025, June 14, 2024, and September 6, 2023.

2. Recomputed the arithmetical accuracy of 'monetary assets as a percentage of the net tangible assets' ratio as on March 31, 2025, March 31, 2024 and March 31, 2023.
3. Traced the amounts of line items of net worth computation from the Restated Financial Information and recomputed the arithmetical accuracy of the net worth calculations for the years ending March 31, 2025, March 31, 2024 and March 31, 2023.
4. Recomputed the arithmetical accuracy of 'operating profit' for the year ended March 31, 2025, March 31, 2024 and March 31, 2023.
5. Computed the average operating profit as restated for the year ended March 31, 2025, March 31, 2024 and March 31, 2023.
6. Obtained the minutes of the meetings of shareholders and board of directors held during the year ended March 31, 2025, March 31, 2024 and March 31, 2023 and held discussions, made enquiries and obtained appropriate representations from the management of the Company.

Based on the procedures mentioned above and the information, explanations and representations provided to us by the management of the Company, we hereby confirm the following:

- a) does not have net tangible assets of at least ₹ 30,000,000 in each of the preceding three full financial years, calculated on a restated basis, of which more than fifty percent are held in monetary assets, as indicated in **Annexure B**.
- b) does not have an average operating profit of at least ₹ 150,000,000 calculated on a restated basis during the preceding three financial years, with operating profit earned in each of these preceding three financial years, as indicated in **Annexure C**;
- c) has a net worth of at least ₹ 10,000,000 in each of the preceding three full financial years, calculated on a restated basis, as indicated in **Annexure D** and
- d) has not changed its name within the last one year.

Accordingly, we certify that the Company does not meet the criteria to undertake the Offer under Regulation 6(1) of the ICDR Regulations. Given that the Company does not meet the criteria for Regulation 6(1) of the SEBI ICDR Regulations, the company may undertake the Offer under Regulation 6(2) of the SEBI ICDR Regulations.

Additionally, we have included a summary table indicating net tangible assets, average operating profit/loss and net worth in **Annexure A**.

Further, we confirm that as on the date of this certificate the Company does not have any outstanding partly paid-up equity shares.

This certificate is being provided in line with the requirements of the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI").

We hereby confirm that while providing this certificate we have complied with the Code of Ethics and the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.

Based on our examination, to the best of our knowledge and belief and as per information and explanation given to us, we confirm that the information in this certificate is true, fair, correct, accurate and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This certificate is issued for the purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents which may be filed by the Company with SEBI, Stock Exchanges, RoC and / or any other regulatory or statutory authority.

We hereby consent to our name and the aforementioned details being included in the Offer Documents and/or consent to the submission of this certificate as may be necessary, to the SEBI, RoC, Stock Exchanges and/or any other regulatory/statutory authority as may be required and/or for the records to be maintained by the BRLMs.

This certificate may be relied on by the Company, the BRLMs, their affiliates and the legal counsel to each of the Company and the BRLMs appointed in relation to the Offer and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Offer. We hereby consent to this certificate letter being disclosed by the BRLMs, if required (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, or on the request of the Stock Exchanges or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation or (iii) for the records to be maintained by the BRLMs and in accordance with applicable law. We confirm that this certificate can also be uploaded on the repository portal of the stock exchanges/ SEBI as required pursuant to the SEBI circular dated December 5, 2024 and the subsequent requirements of the Stock Exchanges/ SEBI, as applicable.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when made available to us by the management of the Company in writing to the BRLMs and the Company until the Equity Shares allotted in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the BRLMs and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and correct.

All capitalized terms used but not defined herein shall have the meaning assigned to them in the Offer Documents.

Yours sincerely,

**For Saini Pati Shah & Co LLP**

*Chartered Accountants*

**ICAI Firm Registration No.:** 137904W/W100622

Radheshyam Mandora

Partner

**Membership No.:** 077372

**Date:** November 7, 2025

**Place:** Mumbai

**UDIN:** 25077372BMOQVA9478

**Encl: As above**

**CC:**

**Legal Counsel to the Company**

**Khaitan & Co**

3<sup>rd</sup> floor, Embassy Quest

45/1 Magrath Road

Bengaluru – 560 025

Karnataka, India

**Legal Counsel to the BRLMs**

**Trilegal**

7<sup>th</sup> Floor, Marksquare

61, St. Marks Road

Bengaluru – 560 001

Karnataka, India

**International Legal Counsel to the BRLMs**

**Hogan Lovells Lee & Lee**

50 Collyer Quay

#10-01 OUE Bayfront

Singapore – 049 321

## Annexure A

Statement showing the calculation of restated monetary assets as a percentage of the restated net tangible assets, composition of restated net tangible assets, the composition of restated monetary assets, and restated net worth as at March 31, 2025, March 31, 2024 and March 31, 2023. Restated operating profit/(loss) for the period ended March 31, 2025, March 31, 2024 and March 31, 2023:

(₹ in millions)

Description	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Restated Net tangible assets (Note 1) (A)	2,836.00	2,497.56	(322.20)
Restated Monetary assets (Note 2) (B)	2,371.24	3,039.56	581.81
Monetary Assets as a % of Net Tangible Assets (%), as restated (B/A)	83.61%	121.70%	(180.57%)
Net-worth (Note 3)	4,814.24	4,521.29	997.46
<b>Restated Operating Profit/(Loss) (Note 4)</b>	<b>40.06</b>	<b>(565.34)</b>	<b>(1,037.51)</b>

**Note 1:**

Restated Net tangible assets mean the sum of all assets of the Company on a restated consolidated basis as per Restated Consolidated Financial Information of the Company and excluding intangible assets, and intangible assets under development as defined in Indian Accounting Standard 38, right-of-use assets as per Ind AS 116, deferred tax assets less total liabilities excluding deferred tax liabilities and lease liabilities.

**Note 2:**

“Restated Monetary Assets” = Cash on hand plus balance with bank in current accounts plus deposits due to be matured within twelve months of the reporting date plus Deposits with maturity of more than 12 months on restated basis plus corporate deposits with remaining maturity of less than 12 months plus Current Investment in Mutual Funds.

**Note 3:**

“Restated Net Worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation, amalgamation and capital reserve;

**Note 4:**

“Operating Profit/ (Loss)” means profit (Loss) before tax, excluding, exceptional items, finance cost and other income, as per Restated Statement of Profit and Loss Account.

## Annexure B

### Composition of Net Tangible Assets:

(₹ in millions)

Description	As at March 31		
	2025	2024	2023
Total assets as per Restated Statement of assets and liabilities	8,386.54	8,710.68	4,664.13
Right to use assets	(59.84)	(30.13)	(18.07)
Other intangible assets (including intangible assets under development)	(2,915.37)	(2,981.42)	(2,251.76)
Deferred tax assets	(5.62)	(6.83)	-
Prepaid Expenses			
Share issue expenses	-	-	-
<b>Total Assets (A)</b>	<b>5,405.71</b>	<b>5,692.30</b>	<b>2,394.30</b>
Total liabilities	2,704.07	3,321.16	2,798.44
Lease Liabilities	(63.32)	(31.43)	(20.04)
Deferred tax liabilities	(71.04)	(94.99)	(61.90)
<b>Total liabilities (Excluding Lease liabilities &amp; Deferred tax liabilities) (B)</b>	<b>2,569.71</b>	<b>3,194.74</b>	<b>2,716.50</b>
<b>Monetary Assets (Note 1)</b>	<b>2,371.24</b>	<b>3,039.56</b>	<b>581.81</b>
<b>Monetary assets as a % of Net Tangible assets</b>	<b>83.61%</b>	<b>121.70%</b>	<b>(180.57) %</b>
<b>Net tangible assets (A-B)</b>	<b>2,836.00</b>	<b>2,497.56</b>	<b>(322.20)</b>

### Note 1 - Composition of Monetary Assets:

(₹ in millions)

Description	As at March 31		
	2025	2024	2023
Cash and cash equivalents			
Cash on hand	NIL	NIL	NIL
Bank balances other than cash and cash equivalent	2,140.71	1,806.68	462.00
Bank deposits with remaining maturity of more than 12 months *	224.22	121.16	115.69
Corporate deposits with remaining maturity of less than 12 months	-	399.99	-
Current Investment in Mutual Funds	-	699.25	-
Interest accrued on fixed deposits	6.31	12.48	4.12
<b>Total Monetary assets</b>	<b>2,371.24</b>	<b>3,039.56</b>	<b>581.81</b>

### Annexure C

Statement of average operating profits, as restated as at March 31, 2025, March 31, 2024 and March 31, 2023:

(₹ in millions)

Description	As at March 31		
	2025	2024	2023
<b>Net profit/(loss) after taxes</b>			
A. Restated net profit/(loss) after taxes	<b>132.80</b>	<b>(593.79)</b>	<b>(877.19)</b>
Adjustments:			
B. Finance cost	77.88	177.08	112.39
C. Tax expenses/(credit)	(34.52)	(45.24)	(50.08)
D. Other income	(136.10)	(103.40)	(108.81)
E. Exceptional items (net)	-	-	(113.82)
<b>F. Restated operating profit/(loss)(A-B-C-D-E)</b>	<b>40.06</b>	<b>(565.34)</b>	<b>(1,037.51)</b>
<b>G. Average restated operating profits(loss)</b>	<b>(520.93)</b>		

*The average restated operating Loss of the Company at consolidated level for the preceding three fiscals, i.e., March 31, 2025, March 31, 2024, and March 31, 2023, is Rs. 520.93 million.*

**Note 1 :**

*Operating profit, as restated, for this purpose means profit (Loss) before tax, as restated, excluding, exceptional, discounted operations, items, finance cost and other income, as per Restated Statement of Profit and Loss Account.*

## Annexure D

Statement showing net worth for equity shareholders as restated as at March 31, 2025, March 31, 2024 and March 31, 2023:

(₹ in millions)

Description	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Paid-up share capital	146.65	146.46	105.79
Securities premium account	5,930.48	5,880.75	2,573.86
Other component of equity	(1,262.89)	(1,505.92)	(1,682.19)
<b>Net worth</b>	<b>4,814.24</b>	<b>4,521.29</b>	<b>997.46</b>

*For the purposes of the above, “net worth” means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure, capital reserve, capital contribution from Capillary Technologies Singapore, Foreign currency translation difference, Share based payments reserve, recognized on account of common control business combination and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation, each as applicable for the Company on a restated basis.*