

Notice

NOTICE IS HEREBY GIVEN THAT THE TENTH ANNUAL GENERAL MEETING OF THE CAPILLARY TECHNOLOGIES INDIA LIMITED (FORMERLY KNOWN AS CAPILLARY TECHNOLOGIES INDIA PRIVATE LIMITED) ("COMPANY") WILL BE HELD ON THURSDAY, SEPTEMBER 29, 2022 AT 10:30 A.M. (IST) THROUGH VIDEO CONFERENCING/OTHER AUDIO VISUAL MEANS AT SHORT NOTICE, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt:

a. the audited standalone financial statements of the Company for the financial year ended March 31, 2022 along with the reports of the Board of Directors and the Auditors thereon;

"RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2022 along with the reports of the Board of Directors and the Auditors thereon and are hereby received and adopted"

b. the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 along with the report of the Auditors thereon

"RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 along with the reports of the Auditors thereon and are hereby received and adopted"

2. To appoint a Director in place of Mr. Aneesh Reddy Boddu (DIN: 02214511), who retires by rotation and being eligible, offers himself for re-appointment.

"RESOLVED THAT Mr. Aneesh Reddy Boddu (DIN: 02214511), Executive Director and Chief Executive 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."



Capillary Technologies India Limited
(Formerly Known as Capillary Technologies India Private Limited)
CIN- U72200KA2012PLC063060
Regd. Office -#36/5, 2nd Floor, Somasandra Palya, adjacent 27th Main
Road, Sector 2, HSR Layout, Bengaluru-560102, Karnataka.
Tel: 1800 419 4450/+91 80416 09498

Email: investorrelations@capillarytech.com
Website: www.capillarytech.com

3. Appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, memorandum and articles of association of the Company, as amended, and basis the recommendation of the Audit Committee and approval of the Board, consent of the members of the Company, be and is hereby accorded to appoint M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration no. 001076N/N500013), as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of 10th Annual General Meeting (AGM) of the Company till the conclusion of the 15th AGM of the Company to be held in the year 2027 to examine and audit the accounts of the Company, at such remuneration as mutually agreed with the Statutory Auditors.

RESOLVED FURTHER THAT the Board be and is hereby authorized to alter, vary or modify the terms and conditions of the appointment of the Statutory Auditors based on the recommendation of the Audit Committee during their tenure as the Statutory Auditors of the Company including remuneration as mutually agreed with the Statutory Auditors."

SPECIAL BUSINESS

4. To approve change in designation/appointment of Mr. Sameer Garde (DIN: 02399137) from Independent Director (Non-Executive Director) to Whole Time Director (Executive Director) of the Company and the terms and conditions including appointment of Mr. Sameer Garde as Group CEO.

To consider and, if thought fit, to pass the following resolution as a '**Special Resolution**':

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, and other



applicable provisions, if any, of the Companies Act 2013 (“Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Memorandum and Articles of Association of the Company, read with Section II of Part II of Schedule V of the Act and subject to such consents, permissions, approvals, if any required from any appropriate authority, basis the recommendations of Nomination and Remuneration Committee and approval of the Board, consent of the Members of the Company be and is hereby accorded to change the designation of Mr. Sameer Garde (DIN-02399137) from Independent Director (Non-Executive Director) to Whole Time Director (Executive Director) of the company, and appointment of Mr. Sameer Garde as Group CEO, liable to retire by rotation, for a period of three years commencing from January 1, 2023 to December 31, 2025, on following terms and conditions including remuneration as set out below.

Salary		
1	Guaranteed Salary	*In the scale of INR. 71,75,000/- p.a to INR. 87,00,000/- p.a with such annual increments as may be decided by the Board/Nomination & Remuneration Committee effective 1st April each year.
2	Variable Bonus	*In the scale of INR.38,50,000/- p.a to INR.47,00,000/- p.a with such annual increments as may be decided by the Board/Nomination & Remuneration Committee effective 1st April each year.
Other Benefits		
1	Telephone/Internet Expenses	Expenditure incurred on telephone calls and internet at his residence shall be reimbursed at actuals as per the rules of the Company.
2	Insurance	Premium as per the rules of the Company covered under Group Term Life Insurance/ Group Medical Policy/Group Personal Accident Insurance/ Employee Compensation Policy and such other Policies.
3	Provident Fund	Company’s contribution to Provident Fund shall be as per the rules of the Company and the Fund.



4	Gratuity	Payable in accordance with the rules of the Company
5	ESOPs	As per Capillary Employees Stock Option Scheme - 2021 (“ESOP 2021”/ “Scheme”).
6	Leave and Leave encashment	Leave and leave encashment as per rules of the Company
7	Travelling Expenses	Reimbursement of travelling expenses incurred for official purpose as per the rules of the company
8	Termination	The appointment can be terminated from either side on communication of prior notice of 3 months in writing.
9	Others	Such other allowances, perquisites, amenities, facilities and benefits as per the rules of the Company as applicable to the Executive Director and as may be permitted and approved by the Board of Directors to be paid to the Executive Director and shall be valued as per Income Tax Act & Rules, as amended from time to time.

*Proportionately for the period effective from the date of appointment i.e. January 01, 2023 to March 31, 2023.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Act read with Schedule V of the Act, including any statutory modification or re-enactment thereof and such other permissions, sanction(s) as may be required, based on the recommendations of Nomination and Remuneration Committee and approval of the Board, consent of the members of the Company, be and is hereby accorded for payment of aforesaid remuneration to Mr. Sameer Garde, as minimum remuneration in case Company has no profits or the profits of the Company are inadequate in any financial years during the tenure of appointment Mr. Sameer Garde as Whole Time Director (Executive Director) notwithstanding that such remuneration may exceed the limits specified under Section 197 and Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”



5. To approve change in designation of Mr. Aneesh Reddy Boddu (DIN: 02214511) from Whole-Time Director & CEO (KMP) to Managing Director (KMP) and Vice-Chairman of the company.

To consider and, if thought fit, to pass the following resolution as a '**Special Resolution**':

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, and 203 and other applicable provisions, if any, of the Companies Act 2013 ("Act"), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Memorandum and Articles of Association of the Company, read with Section II of Part II of Schedule V of the Act and subject to such consents, permissions, approvals, if any required from any appropriate authority, based on the recommendations 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 for change in designation of Mr. Aneesh Reddy Boddu from Whole Time Director (Executive Director) and CEO (KMP) to Managing Director (KMP) and Vice- Chairman w.e.f 1st January, 2023 till November 23, 2024.

RESOLVED FURTHER THAT except for change in designation of Mr. Aneesh Reddy Boddu, there are no other changes in his terms and conditions of appointment approved by the shareholders at Extra-ordinary General meeting held on 24th November, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. Grant of stock options 1% or more of the issued share capital of the company.

To consider and, if thought fit, to pass 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; basis the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors (‘The Board’), consent of the members of the Company be and is hereby accorded to grant stock options under the “Capillary Employees Stock Option Scheme – 2021” (hereinafter referred to as the “ESOP 2021” / “Scheme”) 1% (one percent) or more of the issued share capital of the Company, during the financial year 2022-23 i.e effective from 01st January 2023, to the below employee:

Sr. No	Name and Designation of Eligible Employee	Number of Options to be granted
01.	Mr. Sameer Garde Proposed Whole Time Director of the Company and group CEO	*5,58,511 (>1% of the current issued share capital of the Company)

*options consists of 50% fixed and 50% variable, variable shall be granted based on performance parameters defined by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Sd/-

BHARGAVI REDDY GIREDDY

Company Secretary, M. No- 17091

Date: September 27, 2022

Place: Bengaluru

Registered Office: #36/5, 2nd Floor, Somasandra Palya, adjacent 27th Main Road, Sector 2, HSR Layout, Bengaluru, Karnataka 560102.



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NOTES:

a) In view of the ongoing COVID-19 pandemic and pursuant to General Circulars No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020, No. 02/2021 dated January 13, 2021, No. 21/2021 dated December 14, 2021 and No. 2/2022 dated May 5, 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the 10th AGM through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM'), without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the registered office of the Company at #36/5, 2nd Floor, Somasandra Palya, adjacent 27th Main Road, Sector 2, HSR Layout, Bengaluru KA 560102, which shall be deemed venue of the AGM.

b) The Explanatory statement, pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto. Additional information in respect of Mr. Aneesh Reddy Boddu and Mr. Sameer Garde, pursuant to Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

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 electronically during the 10th AGM. Members seeking to inspect such documents can send an email to secretarial@capillarytech.com

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



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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 2021-22 shall also be available on the Company's website.

g) 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 on or before 11.00 a.m. on Wednesday, 28th September 2022. 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 Zoom Meeting

<https://us02web.zoom.us/j/84469802130?pwd=NWE3TG1yL2lVQm5GUUnFzd1JORWM2dz09>

Meeting ID: 844 6980 2130

Passcode: 246028



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

Item No.3: Appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors.

The Company had appointed M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration no. 101049W/W-E300004), as the Statutory Auditors of the Company at the Annual General Meeting (“AGM”) held on September 30, 2017 from the conclusion of the fifth AGM for the financial year ended March 31, 2017 till the conclusion of the tenth and their total term of 10 years is getting completed in this AGM.

Further, pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions of the Act read with the Rules made thereunder, the Board of Directors of the Company (“Board”), on the recommendation of the Audit Committee, had approved and recommended the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration no. 001076N/N500013) as the Statutory Auditors of the Company (“Statutory Auditors”), for a period of five consecutive years, in place of retiring Statutory Auditors M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration no. 101049W/W-E300004), to hold office from the conclusion of the tenth Annual General Meeting of the Company till the conclusion of fifteenth Annual General Meeting of the Company to be held for Financial Year 2026-27, at such remuneration as mutually agreed with the Statutory Auditors

Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the audit committee.

It is proposed to give authority to the Board, on the recommendation of the Audit Committee, to agree, alter and vary the terms and conditions of such appointment, remuneration etc. and to fix the remuneration to be paid for the subsequent years during their remaining tenure as the Statutory Auditors of the Company including



out of pocket expenses and applicable taxes, as mutually agreed with the Statutory Auditors.

M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration no. 001076N/N500013) have confirmed their eligibility to be appointed as Statutory Auditors in terms of Section 141 of the Act, 2013 and applicable rules. The management and the Board had carried out a detailed evaluation process of various audit firms based on which the Board, on the recommendation of the Audit Committee, has recommended the appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants as the Statutory Auditors of the Company.

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 3 of the Notice.

The Board recommends the resolution set out at Item No 3 of the Notice for approval by the members of the Company by an 'Ordinary Resolution'.

Item No.4: To approve change in designation/appointment of Mr. Sameer Garde (DIN: 02399137) from Independent Director (Non-Executive Director) to Whole Time Director (Executive Director) of the Company and the terms and conditions including appointment of Mr. Sameer Garde as Group CEO.

Considering the contributions made by Mr. Sameer Garde in the growth trajectory of the Company during his ongoing tenure as independent director, the Board at the meeting held on September 26, 2022, subject to approval of Members of the Company, have approved change in designation/ appointment of Mr. Sameer Garde, to Whole-Time Director (Executive Director and Group CEO) w.e.f 1st January, 2023 for a term of 3 years on such terms and conditions and at remuneration detailed in Resolution No.4, pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V, part II, section II (A) for company having inadequate/no profits. Mr. Sameer Garde Currently holds position as Independent Director of the Company since December 10, 2021.

In the event of inadequacy of profits calculated as per Section 198 of the Companies Act, 2013 in any financial year during his tenure of appointment as Whole Time Director (Executive Director) Mr. Sameer Garde shall be entitled to a minimum remuneration comprising salary, perquisites and benefits as detailed in Resolution



No.4 subject to such revisions as may be approved by the Board from time to time notwithstanding that such remuneration may exceed the limit specified under Section 197 and Schedule V of the Act. He will not be entitled for sitting fee for attending the meetings of the Board or Committees thereof. Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No.4 is provided hereto. The office of directorship of Mr. Sameer Garde shall be liable to retire by rotation.

Mr. Sameer Garde satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being change in designation / appointed as Whole Time Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

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 (Formerly Known as Capillary Technologies India Private Limited) is engaged in the business to develop and maintain Software Technology Park (STP), websites, internet gateways, software development centres, multimedia, animation centres, portals to have multiple setups, information centres and to do the business of internet Service Provider (ISP), ERP / CRM in India or abroad and also provide clients with complete internet web based solutions, to develop components of Ecommerce solution or application for E-business. To provide and develop M-commerce related activities within India or outside India. To provide services in respect of advertising, marketing and delivery of goods, customer relationship management products and services,



	loyalty programs, franchising, licensing, services and information through web technology and for transmitting and transferring of data, information, selling data bases and other related activities.
Date or expected date of commencement of commercial production	Existing Company in operation from 15 th March 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 2021-2022, the Company made a turnover/total income of INR 1642 million and loss of INR 221.28 million.
Foreign investments or collaborations, if any.	Capillary Technologies International Pte Ltd. Singapore is the holding company of your company which holds 98.06% Equity Shares through Foreign Direct Investment route.
II. Information about the appointee:	
Background details	<p>Mr. Sameer Garde holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology, Delhi and a post-graduate diploma in management from the Indian Institute of Management, Calcutta.</p> <p>He was previously associated with Cisco Commerce India Private Limited as Vice-President, Theatre Leader, with Samsung India Electronic Private Limited in the capacity of Senior Vice-President, Enterprise Business, with</p>


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	<p>Pepsi Foods Limited as General Manager, Marketing, with IQLECT Solutions Private Limited in the capacity of Head, Strategy Alliances and Partnerships, with Phillips India Limited in the capacity of Sector Market Leader, Healthcare, and was also associated with Nestle India Limited, Hewlett-Packard Enterprise India Private Limited and Whirlpool of India Limited and CEO of Wadhvani AI Foundation.</p> <p>Mr. Sameer Garde has led several top performing organizations with an enduring track record across multiple roles and regions. His keen understanding of technology and market opportunities enables him to drive transformation and capture critical market transitions. A proven leader, Mr. Sameer Garde has built and managed global and regional businesses in India, Europe, USA and Asia.</p>
Past remuneration	Not applicable
Recognition or awards	Nil
Job profile and his suitability	Please refer Background details above
Remuneration proposed	As stated in the Resolution Item No.4 of this Notice.
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)	The remuneration of Mr. Sameer Garde is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its business.
Pecuniary relationship directly or indirectly with the company, or relation with the managerial personnel, if any.	Mr. Sameer Garde is not related to any of the Directors and Key Managerial Personnel of the Company.



III. Other information:	
Reasons of loss or inadequate profits	During the financial year ended March 31, 2022, the profits of the Company may not be adequate and therefore the remuneration payable to the proposed Executive Director would exceed the limits prescribed. Hence this proposal under applicable provisions of Schedule V.
Steps taken or proposed to be taken for improvement	The Company has taken significant/ is continuously taking steps to reduce costs in line with the projected service. The company gradually increased its profits year on year except year 2021-22 (Due to first time adoption of INDAS) and working to improve further in coming years.
Expected increase in productivity and profits in measurable terms	Company is expected to show further Progressive recovery of demand and underlying business results.

Other parameters under Section 200 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The financial position of the company	Please refer annexure B below
The remuneration or commission drawn by the individual concerned in any other capacity;	No Managerial Personnel has drawn remuneration or commission in any other capacity from the Company
The remuneration or commission drawn by him from any other company;	Not applicable
Professional qualifications and experience of the individual concerned;	Please refer para two above
The Financial and operating performance of the company during the three preceding financial years.	Please refer annexure B below



<p>The relationship between remuneration and performance.</p>	<p>The component of additional reward for performance (over and above the base remuneration), if any, is subject to business results in the previous financial year.</p>
<p>The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.</p>	<p>Your Company has a strong performance management culture. Every employee undergoes evaluation of his or her performance against the goals and objectives for the year, and increase in compensation and rewards linked directly to their effort, performance, dedication and achievement relating to the Company's operations. All employees of the Company, including Whole Time Director are governed by the Company's Performance policy, in addition to the Board-approved Remuneration Policy. Additionally, industry benchmarks are used to determine the appropriate level of remuneration, from time to time.</p>
<p>Whether remuneration policy for directors differs from remuneration policy for other employees and if so, an explanation for the difference.</p>	<p>Your Company has a clearly laid out Board approved Remuneration Policy. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting short and long-term performance objectives, appropriate to the working of the company and its goals.</p>
<p>The securities held by the director, including options and details of the shares pledged as at the end of the preceding financial year.</p>	<p>Sameer Garde holds 5,330 equity shares of the Company.</p>

Additional information in respect of Mr. Sameer Garde, pursuant to Secretarial



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Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

The copy of the terms and conditions of appointment and remuneration of Mr. Sameer Garde is being made available for inspection by the Members through physical form at the Registered office of the Company on all the working days, except Saturdays, Sundays and public holidays, between 11.00 A.M. and 5.00 P.M., up to the date of the AGM. Please refer NOTES for electronic inspection.

Except Mr. Sameer Garde, 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 resolution set out at Item No 4 of the Notice for approval of the members of the Company by a 'Special Resolution'.

5. To approve change in designation of Mr. Aneesh Reddy Boddu (DIN: 02214511) from Whole-Time Director & CEO (KMP) to Managing Director (KMP) and Vice-Chairman of the company.

Mr. Aneesh Reddy Boddu, founder of the Company was appointed as a Whole Time Director (Executive Director) and CEO (KMP) w.e.f 24th November 2021 till 23rd November 2024, liable to retire by rotation. Now, Mr. Aneesh Reddy Boddu shall be stepping down as the CEO (KMP) of the Company with effect from 31st December 2022 and as per agenda No. 4, Mr. Sameer Garde shall be entrusted with the role and responsibilities of group chief executive officer (CEO), in the opinion of the Board it would be in the best interest of the Company to change his designation as Managing Director (KMP) and vice chairman of the Company with effect w.e.f 1st January, 2023.

As per section 203 of the Companies Act 2013, Mr. Aneesh Reddy Boddu shall continue to be Key Managerial Personnel in the capacity of Managing Director of the Company.

Mr. Aneesh Reddy Boddu currently holds the position of Whole Time Director (Executive Director) and CEO (KMP) of the company and his designation would be changed to Managing Director (KMP) and vice chairman of the Company w.e.f 1st January, 2023 to November 23, 2024. Except for change in designation of Mr. Aneesh Reddy Boddu, there are no other change in his terms and conditions of appointment as approved by the shareholders at EOGM held on 24th November, 2021 pursuant to



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the provisions of Section 196 & 203 of the Companies Act 2013 (“ Act”).

Additional information in respect of Mr. Aneesh Reddy Boddu, pursuant to Secretarial Standards on General Meetings (SS-2), is provided at Annexure A to this Notice.

Except Mr. Aneesh Reddy Boddu and his relatives, 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 5 of the Notice.

The Board recommends the resolution set out at Item No 5 of the Notice for the approval of Members Company by way of a ‘Special Resolution’

6. Grant of stock options 1% or more of the issued share capital of the company.

In terms of the provisions of Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder, approval of members of the Company is required to be sought in case of grant of Stock Options to the employees by way of separate resolution during any one financial year being equal to or exceeding 1% (One Percent) of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of Options.

To authorize the Board of Directors of the Company for the Options which are granted or to be granted as available in the pool, in one or more tranches, in accordance with the Company’s ESOP Plan, as amended, in excess of 1% (One Percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of Options during any one year, approval of the members of the Company is being sought.

Considering the scale of business of the Company and the responsibilities, contribution and on-going efforts of Mr. Sameer Garde, Proposed Whole Time Director of the Company and group CEO, Board recommends for approval of the shareholders, grant of stock options equivalent to or exceeding 1% of current issued share capital of the Company, details of which are mentioned in the proposed resolution as set out in Item No. 6 of this Notice.

Except Mr. Sameer Garde, none of the Promoters, Directors, key managerial personnel and their relatives, if any, are deemed to be concerned or interested, financial or



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CIN- U72200KA2012PLC063060

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Tel: 1800 419 4450/+91 80416 09498

Email: investorrelations@capillarytech.com

Website: www.capillarytech.com

otherwise in the proposed 'Special resolution' except to the extent of equity shares held by them in the Company.

The Board recommends the resolution set out at Item No 6 of the Notice for approval of the members of the Company by a 'Special Resolution'.

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

Sd/-

BHARGAVI REDDY GIREDDY

Company Secretary, M. No- 17091

Date: September 27, 2022

Place: Bengaluru

Registered Office: #36/5, 2nd Floor, Somasandra Palya, adjacent 27th Main Road,
Sector 2, 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	Aneesh Reddy	Sameer Garde
01.	Age	38	56
02.	Qualifications	Mr. Aneesh holds a bachelor’s degree in Manufacturing Engineering from the Indian Institute of Technology, Kharagpur	Please refer Background details disclosure II
03.	Experience	Over a decade	Over three decades
04.	Terms and conditions of appointment	Not applicable	As stated in the Resolution and explanatory statement in Item No.4 of this Notice.
05.	Remuneration	<p><u>Guaranteed Salary:</u></p> <p>In the scale of INR. 89,32,000/- p.a to INR. 1,30,00,000/- p.a with such annual increments as may be decided by the Board/Nomination & Remuneration Committee.</p> <p><u>Variable Bonus:</u></p> <p>*In the scale of INR.49,88,000/- p.a to INR.70,10,000/- p.a with such annual increments</p>	As stated in the Resolution and explanatory statement in Item No.4 of this Notice.



		as may be decided by the Board/Nomination & Remuneration Committee effective 1st April each year. Other Benefits: as per the Company Policy	
06.	Remuneration last drawn, if applicable	INR. 1,30,00,000/- p.a.	Not applicable
07.	Date of First appointment on the Board	March 21, 2013	December 10,2021
08.	Shareholding in the Company	Nil	5330
09.	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Aneesh reddy is not related to any of the Directors and Key Managerial Personnel of the Company.	Mr. Sameer Garde 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	19	4
11.	Other Directorships, Membership/ Chairmanship of Committees of other Boards	1. Reasoning Global Eapplications Private Limited 2. Capillary Technologies Inc, USA 3. Capillary Technologies (Malaysia) SDN BHD 4. PT Capillary Technologies Indonesia	Nil


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		5. Capillary Technologies (Shanghai) Co., Ltd	
		6. Capillary Pte. Ltd	

Annexure-B

The Financial and operating performance of the company during the three preceding financial years.

Particulars	Financial Year 2019-20 [INR in Millions]	Financial Year 2020-21 [INR in Millions]	Financial Year 2021-22 [INR in Millions]
Revenue from operations	1661.23	1149.03	1633.36
Total Income	1672.75	1233.14	1642.00
Profit/ (Loss) before tax	45.98	208.30	(221.58)
Profit/ (Loss) for the year after tax (before other comprehensive income)	45.98	208.30	(221.58)



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