

November 09, 2023

To

BSE Limited Department of Corporate Services Listing Department P J Towers, Dalal Street, Mumbai - 400001 <i>Scrip Code: 542367</i>	National Stock Exchange of India Limited Listing Department Exchange Plaza Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051 <i>Scrip Symbol: XELPMOC</i>
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Dear Sir/Madam,

Sub: Intimation under Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the quarter ended September 30, 2023

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith the statements of deviation/variation attached as "Annexure A" & "Annexure B" for the quarter ended September 30, 2023.

Request you to take the same on records.

Thanking you,

Yours faithfully,

For Xelpmoc Design and Tech Limited

Vaishali Kondbhar
(Company Secretary & Compliance Officer)

Encl: as above

XELPMOC DESIGN AND TECH LIMITED

Registered Office: #17, 4th Floor, Agies Building, 1st A Cross, 5th Block, Koramangala, Bengaluru - 560034.

Corporate Office: 12th Floor, My Home Twitza, Plot No.30/A, Sy No 83/1, Raidurg Village Serilingampally Mandal, Rangareddy (D) - 500081

CIN NO: L72200KA2015PLC082873 | **Website:** www.xelpmoc.in | **Email:** hello@xelpmoc.in | **Ph No:** 080 4370 8160

Bengaluru | Hyderabad | Mumbai | Gurugram

STATEMENT (1) - PREFERENTIAL ISSUE
Statement of Deviation / Variation in Utilisation of Funds Raised

Name of listed entity	Xelpmoc Design and Tech Limited
Mode of Fund Raising	Preferential Issues
Date of Raising Funds	September 06, 2021
Amount Raised	Rs.2,70,000/- (Amount in 1000s)
Report filed for Quarter ended	September 30, 2023
Monitoring Agency	Not applicable
Monitoring Agency Name, if applicable	Not applicable
Is there a Deviation / Variation in use of funds raised	No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not applicable
If Yes, Date of shareholder Approval	Not applicable
Explanation for the Deviation / Variation	Not applicable
Comments of the Audit Committee after review	No comments
Comments of the auditors, if any	No comments

(Rs. in 1000s)

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation (Amount in 1000s)	Modified allocation , if any	Funds Utilized	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks, if any
To augment management personnel at the senior and mid management level, overseas business expansion, general corporate purposes, ensuring the long term viability and growth of the Company	Not applicable	2,70,000	Not applicable	245,096.59	Not applicable	No Deviation
		2,70,000	-	245,096.59	-	-

The unutilised portion has been temporarily invested in debt mutual funds Rs.25,592.84* (Rs. in 000s) and balance with banks Rs.13,223.12 (Rs. in 000's) as on September 30, 2023.

*Value stated represents investments which are marked to market as at September 30, 2023.

STATEMENT (2) - PUBLIC ISSUE
Statement of Deviation / Variation in Utilisation of Funds Raised

Name of listed entity	Xelpmoc Design and Tech Limited
Mode of Fund Raising	Public Issues
Date of Raising Funds	February 04, 2019
Amount Raised (Amount in 1000s)	*Rs.2,30,044.74 (Amount in 1000s)
Report filed for Quarter ended	September 30, 2023
Monitoring Agency	Not applicable
Monitoring Agency Name, if applicable	Not applicable
Is there a Deviation / Variation in use of funds raised	Yes
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Yes
If Yes, Date of shareholder Approval	September 30, 2020 (First Deviation) September 30, 2023 (Second Deviation)
Explanation for the Deviation / Variation	Explanation for First Deviation is enclosed as Annexure 1 & Explanation for Second Deviation is enclosed as Annexure 2.
Comments of the Audit Committee after review	The Committee has reviewed this statement of deviation/variation on use of proceeds of Public Issue of the Company and approved the same.
Comments of the auditors, if any	No comments

(Rs. in 1000s)

Objects for which funds have been raised and where there has been a deviation, in the following table						
^Original Object	Modified Object, if any	Original Allocation (Amount in 1000s)	Modified allocation, if any	Funds Utilized	#Amount of Deviation/ Variation for the quarter according to applicable object	Remarks, if any
Purchase of IT hardware and network equipments for development centers in Kolkata and Hyderabad	Purchase of IT hardware and network equipments for development centers in Kolkata and Bangalore	54,875.19	8,613.40	2,543.19 ¹	-	-
Purchase of fit outs for new development centers in Kolkata and Hyderabad [^]	---	40,862.50	-	719.79 ²	-	-
Funding working capital requirements of the Company	Funding working capital requirements of the Company	60,000.00	1,03,465.68	1,45,142.71 ³	-	-

General corporate purposes (including savings in offer related expenses)	General corporate purposes (including savings in offer related expenses)	45,729.49	10,202.56	45,729.49 ⁴	-	-
		201,467.18	122,281.64	1,94,135.18	-	-

1 Rs. 1,261.79 (Rs. in 000's) utilised before variation of the Objects of the Issue and Rs. 1,281.40 (Rs. in 000's) utilized after variation of the Objects of the Issue

2 Utilised before variation of the Objects of the Issue for original object i.e. for purchase of fit outs for new development centers in Kolkata and Hyderabad.

3 Rs. 41,677.03 (Rs. In 1000s) utilised before variation of the Objects of the Issue and Rs. 1,03,465.68 (Rs. In 1000s) utilized after variation of the Objects of the Issue.

4 Rs. 35,526.93 (Rs. In 1000s) utilised before variation of the Objects of the Issue and Rs. 10,202.56 (Rs. In 1000s) utilized after variation of the Objects of the Issue.

^ Above stated object was the original Object of Issue and after variation in the Objects of the Issue the aforesaid object has been cancelled.

(Rs. in 1,000)

Particulars	Net proceeds as per prospectus
Gross proceeds of the Issue	2,30,044.74
Less: Estimated offer related expenses in relation to the Issue	33,551.50
Net Proceeds	1,96,493.24
Add: Saving in offer related expenses	4,973.94
Total	2,01,467.18

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Deviation 1:

During the year ended March 31, 2019, the Company completed an Initial Public Offering (IPO) of its shares consisting of a fresh offer of equity shares of Rs. 10 each at a premium of Rs. 56 per share and a discount of Rs. 3 per share to retail investors. The proceeds of the fresh offer component from the IPO amounted to Rs. 2,01,467.18 (Rs. in 1000s) (net of issue expenses). The equity shares of the Company were listed on NSE and BSE effective February 04, 2019. Further, the Company has obtained approval of 100% present and voting shareholders for variation of the objects of the IPO (Initial Public Offering) in the Annual General Meeting of the company held on 30th September 2020.

The company has un-utilised amount of Rs.7,332.00 (Rs. in 1000s) at the beginning of this quarter. The details of the utilisation of the unutilised amount of IPO proceeds during the quarter ended 30th September 2023 is as follows

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(Rs. in 1000)

Objects of the Issue upon Variation of the objects as stated above	Amount available for utilisation upon variation	Utilised after variation of objects i.e. from October 01, 2020 till June 30, 2023	Unutilised amount as on June 30, 2023	Utilisation during the quarter ending September 30, 2023	Unutilised amount as on September 30, 2023
Purchase of IT hardware and network equipments for development centers in Kolkata and Bangalore	8,613.40	1,281.40	7,332.00	-	7,332.00
Funding working capital requirements of the Company.	1,03,465.68	1,03,465.68	-	-	-
General corporate purposes (including savings in offer related expenses)	10,202.56	10,202.56	-	-	-
Total	1,22,281.64	1,14,949.64	7,332.00	-	7,332.00

The details of the utilisation of the IPO proceeds as on September 30, 2023, is already provided hereinabove under the headlining Fund utilized.

IPO proceeds net of IPO related expenses which remain unutilised as at September 30, 2023 temporarily invested in debt mutual funds Rs. 4741.92* (Rs. in 000s) and balance with banks Rs. 3499.23 (Rs. In 000s).

*Value stated represents investments which are marked to market as at September 30, 2023.

Deviation 2:

Further during the quarter ended September 30, 2023, the Board of Directors of the Company vide Board Resolution dated August 12, 2023 and Shareholders of the Company vide special resolution dated September 30, 2023 with majority of more than 90% of the voting shareholders voted in the favour of the resolution, had approved the further variation in utilization of the IPO proceeds, by way of deploying and/or utilise the unutilized amount/balance proceeds of ₹ 7332 thousand of the existing object "Purchase of IT hardware and network equipment's for development centres in Kolkata and Bangalore" towards the other IPO object of "Funding working capital requirements of the Company";

Deviation or variation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised or**
- (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or**
- (c) Change in terms of a contract referred to in the fund-raising document i.e. prospectus, letter of offer, etc**

For Xelpmoc Design and Tech Limited

Name of signatory: Vaishali Kondbhar

Designation: Company Secretary & Compliance Officer

Annexure 1

Explanation for the Deviation / Variation

- (i) The business strategy of the Company as disclosed in the Prospectus, amongst others included growing its business by enhancing its technological capabilities and expanding its domestic expertise. Most recently, the Company had added capabilities including artificial intelligence, deep learning and data sciences. The Company intends to continue growing its technological capabilities and the Objects above relating to starting of our development centers were designed to implement such strategy. Therefore in accordance with the Objects, the Company opened a development center in Kolkata in 2019 by leasing the premises from Sonodyne Television Company Limited. However such premises were leased by the Company on a fully-furnished basis as the costs of rent of fully furnished premises were significantly lesser compared to costs of leasing unfurnished premises and separately procuring fit-outs for such unfurnished premises. At the time of the Issue, there was no certainty that fully furnished premises would be available, accordingly estimation was made for the cost of fit-outs in the Prospectus. The Company had received a quotation of ₹19,425.00 thousand for the interior costs of an office space of 5,550 square feet, at the time of the Issue. However, the Company was able to procure a fully furnished office space of 6,800 square feet, wherein the cost of interiors Rs. 719.79 thousand. Accordingly, significant expenses estimated in the Objects for the purchase of fit outs for the development center in Kolkata have not been incurred by the Company. The Company estimates that of the Rs.40,862.50 thousand earmarked for utilization towards purchase of fit-outs for new development centres in Kolkata and Hyderabad in Fiscal 2020 and it has utilized Rs.719.79 thousand.
- (ii) In addition, the Company was unable to open the second development center in Hyderabad in Fiscal 2020 due to the business disruption caused by Covid-19, despite inspecting potential sites for such development center in January 2020. While the Company has an existing operational office in Bangalore, it has no existing ground presence in Hyderabad and in light of the business disruption caused by Covid-19, the Company considers it economically prudent to expand the existing Bangalore Office in such manner to have all functions instead of setting up a new development center in Hyderabad.
- (iii) The outbreak of Covid-19 and the subsequent lockdown has created an uncertain scenario resulting in disruption of the Company's business and has further had an impact on the cash flow of the Company. The nature of such impact is expected to be long-term and requires the Company to preserve its cash. The Company has thus deliberated upon its growth strategies and would like to refrain from incurring large expenditures and would instead attempt to expand its existing center in Bangalore, which is already fully furnished, resulting in preservation of cash.
- (iv) Further of approximately Rs.54,875.19 thousand allocated for utilization towards purchase of IT hardware and network equipment in the Objects, Rs.1,261.79 thousand have been utilized by the Company, setting a furnished office space in Kolkata. However, as the adverse impact of Covid-19 as described above requires the preservation of cash, the Company intends to reduce such expenditures by leasing the necessary equipment and utilizing cloud solutions instead of purchasing such equipment.
- (v) Further as disclosed on page 92 of the Prospectus, the working capital requirement of the Company for Fiscals 2019, 2020 and 2021 cumulatively was calculated to be Rs,160,700.78 thousand of this Rs.60,000.00 thousand was proposed to be funded through the Net Proceeds of the Issue and Rs.100,700.78 thousand was to be funded through internal accruals / general corporate funds, as disclosed in the Prospectus. However, owing to the business disruption caused by Covid-19 and the consequent reduction and uncertainty in cash flow, the Company proposes to reduce the allocation of its internal accruals towards its working capital requirements of Rs. 100,700.78 to Rs.15,558.07 thousand and such shortfall will be

fulfilled through the unutilized portion of the Net Proceeds. The preserved internal accruals over and above utilization towards working capital requirements would enable the Company to meet any cash flow challenges arising out of the business disruption due to Covid-19 and will ensure business continuity and ability to incur costs relating to human capital.

Considering the above reasons and/or justifications, the Board of Directors of the Company, on recommendation of the Audit Committee, have decided to vary the Objects by way of deploying an additional amount of Rs.85,142.71 thousand towards working capital requirement and using an amount of Rs.8,613.40 thousand towards the expansion of the existing Kolkata and Bangalore office instead of the Kolkata and Hyderabad office.

Annexure 2

Explanation for the Deviation / Variation

Post Covid-19 situation, the Company has expanded more in Hyderabad as compared to Bangalore, as a result of this change there has been a significant reduction in the capital expenditure (capex) requirements in the Bangalore and Kolkata regions. This change in operational emphasis has naturally led to a decreased demand for the financial resources that were previously allocated for capex in these areas. Meanwhile, the financial resources necessary for capex in Hyderabad were primarily sourced from preferential allotment funds. This well-considered allocation of funds has played a crucial role in supporting the Company's expansion efforts in the Hyderabad region. Considering decreased need for capex funds in Bangalore and Kolkata due to the operational realignment, the Company's board of directors is proposing to redirect these funds towards enhancing the company's working capital, reflecting the Company's adaptive approach to financial resource management. This strategic adjustment underscores the Company's commitment to effective financial utilization as it navigates its evolving operational landscape.