

February 03, 2021



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.

Pursuant to Regulation 32 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/162/2019 dated December 24, 2019 we hereby inform you that the Audit Committee and Board of Directors of the Company has reviewed, at their respective meeting held on Wednesday, February 03, 2021, a statement of deviation/variation on use of proceeds of Public Issue of the Company. The said statement is enclosed herewith.

We request you to take the same on record.

Thanking you,

Yours faithfully,

For Xelpmoc Design and Tech Limited

Vaishali Kondbhar
Company Secretary



Encl: as above

XELPMOC DESIGN AND TECH LIMITED

Regd & Corp Address: #17, 4th Floor, Agies Building, 1st A Cross, 5th Block, Koramangala, Bengaluru - 560034
Phone number: 080 4370 8160 | Website: www.xelpmoc.in | Email: vaishali.kondbhar@xelpmoc.in

CIN NO: L72200KA2015PLC082873 | GST NO: 29AAACX1880G1Z5

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/-
Report filed for Quarter ended	December 31, 2020
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
Explanation for the Deviation / Variation	Explanation is enclosed as Annexure A.
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 1,000s)

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 Utilised (Amount in 1000s)	*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	1,261.79	-	-
Purchase of fit outs for new development centers in Kolkata and Hyderabad	---	40,862.50	-	719.79	-	-
Funding working capital requirements of the Company	Funding working capital requirements of the Company	60,000.00	1,03,465.68	41,677.03	-	-
General corporate purposes (including savings in offer related expenses)	General corporate purposes (including savings in offer related expenses)	45,729.49	10,202.56	36,526.93	-	-
		2,01,467.18	122,281.64	80,185.54	-	-

(Rs. in 1,000s)

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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The Company has obtained approval of 100% present and voting shareholders for variation of the objects of the IPO (Initial Public offerings) in the annual general meeting of the company held on 30th September 2020. The details of variation and the utilisation of the unutilised amount upon variation of the objects as approved by the members and details of utilisation of IPO proceeds are as under are as under:

(Rs. in 1000)									
Original objects of the Issue	Projected Utilisation of Fund as per Prospectus	Utilised as per Prospectus as on September 30, 2020	Unutilised as on September 30, 2020	Amount altered upon variation of Objects and details thereto	Objects of the issue upon variation	Amount available for utilization upon variation	Utilised during the quarter ended December 31, 2020	Utilisation upto December 31, 2020	Unutilised amount as on 31 st December 2020
Purchase of IT hardware and network equipments for development centers in Kolkata and Hyderabad.	54,875.19	1,261.79	53,613.40	45,000 towards funding working capital requirements of the Company 8,613.40 towards purchase of IT hardware and network equipments for development centers in Kolkata and Bangalore	Purchase of IT hardware and network equipments for development centers in Kolkata and Bangalore	8,613.40	-	1,261.79*	8,613.40
Purchase of fit outs for new development centers in Kolkata and Hyderabad.	40,862.50	719.79	40,142.71	40,142.71 towards funding working capital requirements of the Company	-	-	-	719.79*	-
Funding working capital requirements of the Company.	60,000.00	41,677.03	18,322.97	-	Funding working capital requirements of the Company.	1,03,465.68	-	41,677.03*	1,03,465.68



General corporate purposes (including savings in offer related expenses)	45,729.49	35,526.93	10,202.56	-	General Corporate purposes (including savings in offer related expenses)	10,202.56	1,000	36,526.93*	9,202.56
Total	2,01,467.18	79,185.54	1,22,281.64	93,756.11		1,22,281.64	1,000	80,185.54	1,21,281.64

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

Vaishali Kondbhar

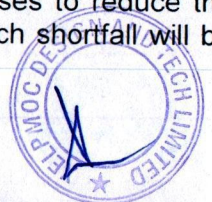


Name of signatory: Vaishali Kondbhar
Designation: Company Secretary

Annexure A

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.

