

May 21, 2021

To

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

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 Friday, May 21, 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**

**Statement of Deviation / Variation in Utilisation of Funds Raised**

<b>Name of listed entity</b>	Xelpmoc Design and Tech Limited
<b>Mode of Fund Raising</b>	Public Issues
<b>Date of Raising Funds</b>	February 04, 2019
<b>Amount Raised (Amount in 1000s)</b>	*Rs.2,30,044.74/-
<b>Report filed for Quarter ended</b>	March 31, 2021
<b>Monitoring Agency</b>	Not applicable
<b>Monitoring Agency Name, if applicable</b>	Not applicable
<b>Is there a Deviation / Variation in use of funds raised</b>	Yes
<b>If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders</b>	Yes
<b>If Yes, Date of shareholder Approval</b>	September 30, 2020
<b>Explanation for the Deviation / Variation</b>	Explanation is enclosed as Annexure A.
<b>Comments of the Audit Committee after review</b>	The Committee has reviewed this statement of deviation/variation on use of proceeds of Public Issue of the Company and approved the same.
<b>Comments of the auditors, if any</b>	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 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	46,677.03	-	-
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	-	-
		<b>2,01,467.18</b>	<b>122,281.64</b>	<b>85,185.54</b>	-	-

(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
<b>Total</b>	<b>2,01,467.18</b>

# 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 30<sup>th</sup> September 2020. The details of variation and the utilisation of the unutilized amount of IPO proceeds upon variation of the objects as reviewed by the Audit Committee in its meeting held on May 21, 2021 are as under. Further the company has un-utilised amount of Rs.1,21,281.64 (Rs. in 1000s) at the beginning of this quarter

(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 March 31, 2021	Utilisation upto March 31, 2021	Unutilised amount as on March 31, 2021
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	Purchase of IT hardware and network equipments for development centers in Kolkata and Bangalore	8,613.40	-	1,261.79 <sup>1</sup>	8,613.40
				8,613.40 towards purchase of IT hardware and network equipments for development centers in Kolkata and Bangalore					
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 <sup>2</sup>	-
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	5,000	46,677.03 <sup>3</sup>	98,465.68
General corporate purposes (including savings in offer related	45,729.49	35,526.93	10,202.56	-	General Corporate purposes	10,202.56	-	36,526.93 <sup>4</sup>	9,202.56

expenses)					(including savings in offer related expenses)				
Total	<b>2,01,467.18</b>	<b>79,185.54</b>	<b>1,22,281.64</b>	<b>93,756.11</b>		<b>1,22,281.64</b>	<b>5,000</b>	<b>85,185.54</b>	<b>1,16,281.64</b>

<sup>1</sup>Utilised before variation of the Objects of the Issue for original object i.e. for purchase of IT hardware and network equipments for development centers in Kolkata and Hyderabad.

<sup>2</sup>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.

<sup>3</sup>Rs.41,677.03(Rs. In 1000s) utilised before variation of the Objects of the Issue and Rs.5,000 (Rs. in 1000s) utilized after variation of the Objects of the Issue.

<sup>4</sup>Rs.35526.93(Rs. In 1000s) utilised before variation of the Objects of the Issue and Rs.1,000 (Rs. In 1000s) utilized after variation of the Objects of the Issue.

**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**

## 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.