



“Xelpmoc Design and Tech Ltd. Q2 FY23 Earnings  
Conference Call”

**November 14, 2022**



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**Moderator:** Ladies and gentlemen, good day, and welcome to the Q2 FY '23 Earnings Conference Call of Xelpmoc Design and Tech Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ravi Udeshi from EY Investor Relations. Thank you, and over to you, sir.

**Ravi Udeshi:** Thank you, Steven. Good evening to all of you. Welcome you to the Q2 FY23 Earnings Conference Call of Xelpmoc Design and Tech Limited.

We have sent you the press release and the investor presentation, and the same has also been uploaded on the Xelpmoc website as well as on the stock exchanges. In case anyone does not have a copy of the same, please do write to us. To discuss the results and the outlook for the future going forward, we have with us today the top management of Xelpmoc represented by Mr. Sandipan Chattopadhyay – Managing Director and CEO, Mr. Srinivas Koora – CFO, Mr. Madhu Poomalil – Group President, Strategic Initiatives and Mr. Srinivas Kollipara – Group President, Startup Ventures.

Before we start the call, I would just like to remind you that the safe harbor clause applies. With that said, I would now like to hand over the call to Mr. Srinivas Koora. Over to you, sir.

**Srinivas Koora:** Thank you, Ravi. Good evening, everyone. And welcome to Xelpmoc's Earning Call for Q2 FY23. I hope you and your family are doing well. I am pleased to inform you that we have maintained our business momentum while focusing on sustainability of operations. We continue to move ahead with our execution plan, which is centered on identifying the target sector that corresponds with our impactful technology approach.

Our operating revenue for the quarter was recorded INR 43.0 million as compared to INR 11.2 million in Q2 FY22 and INR 32.1 million in Q1 FY23. We saw a renewed interest from our clients which led to year-on-year increase of about 285.2% and sequentially a revenue increase of about 34.2%. Operating EBITDA adjusted for ESOP for the quarter was INR (- 16.9) million as compared to INR (-12.9) million in Q2 FY22 and INR (-20.1) million in Q1 FY23.

I would like to give context to the said increase in EBITDA loss in Q2 FY23 as compared to Q2 FY22. In fact, this we have highlighted even in the previous quarter call as well. We have seen the demand for onboarding manpower talent, especially in the new technology skills has increased drastically across the IT sector resulting in dramatic increase in manpower onboarding and retention cost.



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We have also expanded our head count as compared in the past one year. We have also incurred lease rental costs relating to expansion of our Hyderabad office. We incurred certain project-based expenses in line with our business expansion plan which has resulted in revenue increase in the Q2 FY23. We expect that this revenue increase to sustain and the corresponding cost will gradually decrease in future.

Net loss for the quarter was INR 40.4 million, partially due to INR 23 million of ESOP expenditure. This in comparison to net loss of about INR 39.4 million in Q1 FY23 and net loss of INR 33.7 million in Q2 FY22.

Regarding the change in revenue, we would like to state that our revenue stream was diversified with startups, corporate and government forming 44%, 38% and 18% irrespectively of our Q2 FY23 revenues. We expect that three-pronged focus on corporates, government and startup will enable us to sustain the recent increase in revenue momentum in future also. Our team size is 115 including employees, interns, and consultants as compared to 105 in Q1 FY23. Till date we have served 56 clients and our sustained interactions with the clients is the foundation for good performance.

The fair value of our investments in portfolio companies stood at approximately INR 684.6 million as on 30th September 2022 as compared to INR 611.0 million on 30<sup>th</sup> September 2021. Our portfolio companies did well by embracing new opportunities.

**Mihup:** Mihup has onboarded several marquee clients in the recent past. They have doubled the number of customers compared to the previous year. In terms of revenue, we have see a 11x growth compared to previous year. It has added two more languages - Marathi and Telugu, and now supports five vernacular languages and English. It is seeing greater momentum in terms of clients' engagement and execution.

**Woovly:** The other portfolio company, Woovly enables its users to shop socially with the help of content creators. Its influencers create short video content resulting into several million video views per month. It has clocked a GMV ARR of about US\$12 million which is an increase of around 16% on sequentially quarter-on-quarter basis. Currently, they are at an annualized run rate of INR 100 crores. For the month of September, more than 100,000 buyers shopped on Woovly. This has grown at 6.7x on a YoY basis. Similarly, overall growth in GMV on an annualized basis was close to 6.5x.

**TSIM:** TSIM, the other portfolio company, **The Star In Me**, is a global career advancement platform for women and a diversity partner for organizations. It is on track to grow its B2B client base and is witnessing traction in conversion with large global companies across sectors.

**Pencil:** Pencil is a brand of One Point Six Technologies Private Limited. Pencil helps writers become authors and send their books as an e-book, and paperback globally via its technology platform. Its technology enables writers to write better using AI and ML, get their stories



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published. More than 32,000 writers have created over 1,150 books using Pencil. The Pencil 2.0 layer now enables writers to pitch their stories to OTT platforms, producers and studios which is expected to enable greater momentum in its operations. The pencil is moving towards breakeven over the next few quarters.

The other portfolio company **Fortigo**, Fortigo saw some seasonal volatility due to protracted period of monsoon and uneven business condition from May end till October. However, the next six months looks to be a very promising period of business growth across its focus segment of the leaders in FMCG, metals, and minerals as also the industrial segment.

SOAL: one of our portfolio companies **Accelerated Learnings Edutech Private Ltd.**, runs a school of accelerated learning. The brand name is SOAL, an upskilling startup that designs and runs cohort-based courses, which help students kick-start their careers in Engineering and Design irrespective of their background.

SOAL has witnessed 45% sequential increase in students' enrollment and we see acceleration in terms of the students. SOAL is currently heading towards a breakeven level with a constant drive-in enrolment and impeccable track record of placing students. The move towards the said breakeven level is structurally significant and is expected to be permanent in the foreseeable future.

I now would like to discuss our UK subsidiary. Our UK operations have started client onboarding. We have recently received Global Business Mobility, a certificate of sponsorship for UK expansion worker visa. This will enable us to deploy resources from India for project in UK till we gain more clients and critical volume in terms of business. However, the current economic scenario in UK, we are cautiously planning our expansion through external consultants and business development with minimal budget.

Now let me come to the outlook for the fiscal 2023. We see this year promising in our portfolio company given that they are focusing on an unaddressed area of the economy. We expect our investments in Mihup, Woovly, Signal to expand their access and reach and the next generation of growth.

As alluded earlier, we onboarded portfolio companies only when they have a revenue and a positive EBITDA level plan. In line with the same, we expect several of our portfolio companies to achieve the said plan in the foreseeable future. In case any of them are unable to meet the same, then we may align with them to pivot their strategy towards the said plan or we may look at exiting such investments at an appropriate stage.

Our dual focus on our startups as well as our services segment makes us fairly confident of adjusted EBITDA level profitable by Q1 FY24.

With this, now I request Ravi to open the floor for question and answers.



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**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Rudresh Kalyani, an individual investor. Please go ahead.

**Rudresh Kalyani:** I have got a couple of questions. The first thing is on the trade receivables which has gone up exponentially. Can you highlight that?

**Srinivas Koora:** Yes. So, basically, we have entered into a couple of transactions with the government and also with the startup portfolios where in some cases where based on performance, we might receive an equity or they will pay us cash. And as far as the startup, and as far as the government is concerned, there is a payment schedule based on which they are going to pay us.

**Rudresh Kalyani:** And second question is on the, see, is it possible to share investors' deck of the startups where we have invested? If it's not possible to share the recent one, at least the obsolete one, you know, or at least like previous year or something like that so that we can get the gist of what exactly the startup is doing.

**Srinivas Koora:** So, basically, what we are doing is in our investors deck, we are covering even if you have seen, we have changed that. We have made a lot of changes in the current investors' deck. We have included one slide about each of the startups where it gives into what space they are, who are the founders, who are their customers, who are their investors. And we are sharing the data whatever the founders are comfortable with respect to those portfolio companies.

**Rudresh Kalyani:** But the thing is for a layman like us, it hardly give us the three-pronged picture. So, the PDF that startup will give a better picture rather than the surface level data which you are sharing.

**Srinivas Koora:** So, we will see in case, if possible, if they are comfortable, we will see what all further additional information that can be included. That we can include about those startups.

**Moderator:** Thank you. The next question is from the line of Yashesh, an individual investor. Please go ahead.

**Yashesh:** So, I have a two set of questions. One is on the portfolio company side and one is a philosophical question for Sandipan and the management. So, I will start with the philosophical one. You know, at once I was well keen of like what am I actually owning when I owned shares of Xelpmoc, and I was actually all awestruck by the response. So, now something similar of sort. So, I would this time want to know that now that we are pursuing multiple interests, right, from, you know, focus on the overseas side, UK, U.S. subsidiary to tie up with the government to focus on the corporate service to Signal to now SOAL tracks. So, I want to know what are the critical focus areas amongst all of it? Like what is keeping us most excited for the next decade?

**Sandipan Chattopadhyay:** So, see, the thing is things have changed a lot of management bandwidth has been added in the last one year, and we are essentially having different focus areas among the leadership group. So, we are able to focus on multiple things much more than we could do before. All the things



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that you are hearing are at different stages of maturity. So, as the startups mature, our role becomes lesser because by that time they have set up their team, but our role is still pretty active in terms of getting market access, forming new solutions, getting new rounds of funding. All those we are active, but what keeps our time more as a company are the new upcoming ones where our contribution at the start point is much higher.

So, of the ones that you are looking services as a vertical is having a lot of focus, and many of the services like Srini mentioned are government oriented. So, in government we have one part which is more like a services and the other part where we are trying to form startups with the government with a kind of a conjugate effort. So, both of these are pretty active, and that's one government sector.

On the startup front like so you told about SOAL. There are new set of startups which is keeping us awake in the night in that sense in an excited way, and we are looking at the new possibilities on that. The older ones keep growing, but the newer ones are the ones that we have met our second phase for. None of them are like something for the next 10 years or anything of that sort in the sense that we are not stopping here.

There will be new ones coming in every two, three years, but all of them will be for, you know, we are not stopping and saying this is all we will do for the next 10 years, but everything that we do, we hope that they will last beyond the 10 years that you are talking of. Experience India, of course, is one big thing. Signal is another big area where we are keeping our focus. First Sense, which is a new portfolio which is kind of doing for video what we have done with voice with Mihup, and of course, the other startups on the regular part. I think that would be SOAL that we talked of. So, there are quite a few. And because it's now a larger team, the number of areas uniquely that we are looking at is also slightly larger.

**Yashesh:**

Thank you, sir, for the detailed response. So, another question is, I have for Srinivas sir, about the portfolio company. So, I see there has been no change in valuation in Graphixstory for last couple of quarters. So, I would want to know what is the story there. And we did hear about the One Point Six, but I would want to know that what exactly happened which saw the valuation go double? So, just these two updates, if I can.

**Srinivas Koora:**

So, as far as graphic story is concerned, in Graphic story, we hold OCPS. And OCPS we are recording at cost unless and until we want to convert into Equity. Till the time we are confident that we want to redeem it, and as per the shareholders' agreement what we have entered if it is not convertible to equity, we are reporting at cost. That's the reason why you see Graphixstory, the number is constant, and there is no change.

Basically, I will tell you the structure what we do. Whenever we enter into any contract with any of the startups, generally, this is a tenure based, and we initially enter into an OCPS. So, as and when we provide them the services, this OCPS will be converted into equity. And at any point



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of time, in case if we want to redeem, if we don't want to continue with the equity, and these are redeemed at the cost.

**Yashesh:** All right, sir. And sir, about One Point Six, like, what exactly happened that, you know, caused it to double on the valuation?

**Srinivas Koora:** So, One Point Six, they recently had one merger, okay, where the pre-merger, the valuation was close to about INR 60 Cr and post-merger that we are about INR 72 Cr. And the merger processes and the process, because they are going through the court process, which is expected to be completed by end of November or December, post which they are planning to raise funds to the company. There are a couple of interests which has already generated, but the thing is when the merger process is going on, they are not able to conclude the transaction. So, hence, they are waiting to complete that merger.

**Moderator:** Thank you. The next question is from the line of Abhishek Agarwal from Gems Quest. Please go ahead.

**Abhishek Agarwal:** Thank you for the opportunity, sir. So, I just wanted to ask a few questions, first one being, sir, how do we see our product portfolio shaping up that is in terms of our software and products that we intend to capitalize on?

**Sandipan Chattopadhyay:** So, this is the third quarter that we have planned for the product expansion and focus on it. We have just started on some of those aspects. We are trying to bundle some of the existing products and create new products, especially for areas that we have seen some interest. We will keep you updated on the progress, but as a plan that we have started it from the third quarter, I think you will see some results happening only around, let's say, late fourth quarter or early next year first quarter. It takes that much time to get it started and have a strategy for that part.

**Abhishek Agarwal:** And the next one is, sir, how is the landscape shaping up in terms of startup ecosystem in India and around the world for you? I mean, do we see signs of recession and, you know, opportunities that we get because of this tumultuous situation?

**Sandipan Chattopadhyay:** As I have said previously, we probably were in the sectors which are more, you know, not so glamorous and hence not so volatile. We have been lucky that we have focused on the core parts of it. As of now, there is obviously a kind of a sense of doom and gloom all across. We cannot be completely independent of that. Probably, but our companies are some of the least affected ones depending on the fact that they are either in a sense of maturity which has been there for some time, and they are just going on their regular market acquisition part of it or they are in an area which is not exactly that Hi-Fi or that global to have perception kind of led volatility kind of stuff. So, yes, there is some kind of a grey areas in other parts, but as of now, I don't think we have been affected that much by the ongoing issues that are kind of affecting the startup ecosystem.



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**Srinivas Kollipara:** This is Srinivas Kollipara speaking. You know, one of the things that's happening is that definitely, there is a little bit of fear and hesitation in the startup ecosystem about funding, but let's not forget that a lot of funds did come into the various VCs at the beginning of the year that needs to be deployed. All that's going to happen is that they are going to be much more disciplined about which companies they invest into and more careful than they were. We obviously take our time. We only pick very few companies in a year, and we pick the ones that we believe actually make a difference in the world and are going to actually have an impact, and therefore, funding will not be a problem for most of those companies.

**Abhishek Agarwal:** This was in continuation to the question. What I meant was, I mean, because of all the gloom and doom, and are we seeing great deals that could come our way or we could get opportunity because of all this situation currently?

**Sandipan Chattopadhyay:** I don't think it will affect us either way negatively or positively, because we were, as Kollipara explained, we were always focused on substantial ones. So, it's not going to be an advantage or disadvantage for us. I think we will go on merrily, but that said, as to Kollipara's point, some of our startups may actually look much more reasonable and safe than previously looked at by the VCs.

**Moderator:** Thank you. The next question is from the line of Raveendra, an individual investor. Please go ahead.

**Raveendra:** I just wanted one clarification what I heard from Mr. Srinivas Koora is that we are seeing the adjusted, we are going to see adjusted EBITDA profitability in Q1 '24. Was my understanding correct?

**Srinivas Koora:** Yes. So, yes, that's correct. Q1 FY24.

**Raveendra:** Because what I understand from previous calls is that in this year, we are going to see that. So, I just wanted to get that clarified.

**Srinivas Koora:** So, basically, previously, we said that the Q4 of FY23 we would be, but as I said in my opening remarks with respect to the UK market, we want to be a bit cautious, and we said that it is always better to be cautious, and we moved it to Q1 FY24.

**Raveendra:** I understand, sir. And my second question, sir, in Q4 '22, we had one bad debt provision about INR 2 plus crore. What is the status of that receivable as on date?

**Srinivas Koora:** So, basically, as far as the status is concerned, we have already issued a legal notice to that party, and we are pursuing it. And yes, we are pursuing it, and the moment we realize anything or we will be keeping you update what exactly is happening on the case.

**Raveendra:** So, is it a corporate, a startup or a government kind of a thing?





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**Srinivas Koora:** It's a corporate, it's a startup created by a corporate. Even we had a follow-up round of couple of calls with them, and we see something materialized, but can't assure anything on that front right now. But yes, the discussions are on, and we have also issued them a legal notice.

**Moderator:** Thank you. The next question is from the line of Dharmesh Patel, an individual investor. Please go ahead.

**Dharmesh Patel:** This is particular to Mr. Sandipan. Sir, what is more important to Xelpmoc? Is it the quality of idea or the quality of entrepreneur?

**Sandipan Chattopadhyay:** I mean, they are one and the same to us to be very frank. Quality of the idea can mean several things. Obviously, sectoral, sanctity, growth opportunity and all are independent of the entrepreneurs, but when it comes to us, the entrepreneur is a prime mover. See, unlike other people have explained this before, we have some hypothesis. We have ideas around which are the only areas where we are looking at business. Unless something is strikingly astonishing, we essentially try to stick to our research and hypothesis. So, given that we already have that framework, entrepreneur is the whole and sole purpose which makes us choose the person to work with.

**Dharmesh Patel:** And sir, what do you see in an entrepreneur when you select the company for investing?

**Sandipan Chattopadhyay:** Subject matter intuition and persistence, I think these are the two things that we mostly look at, but it's very undefinable. A lot of it is chemistry, how the four of us, five of us feel when we meet him, the fact that we can work with them, that intuitive feeling. So, yes, there is a method to it, but I can't say that there is a question mark or a sorry, questionnaire-based or a marksheet-based approach that we can apply to these things.

**Moderator:** Thank you. The next question is from the line of Rudresh Kalyani, an individual investor. Please go ahead.

**Rudresh Kalyani:** I got to know that Woovly is on the street to raise funds once again. So, are we infusing fund again in this round or are we taking part in the shares which we get?

**Srinivas Koora:** So, basically, yes, what you heard is right, that Woovly is in process of raising funds, but we are not participating in this particular round.

**Rudresh Kalyani:** Any picture on the valuation or anything on that thought?

**Sandipan Chattopadhyay:** No, that's solely at the description of the company. We don't disclose those things. And firstly, we don't even know those things.

**Moderator:** Thank you. The next question is from the line of Dharmesh Patel, an individual investor. Please go ahead.



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**Dharmesh Patel:** Sir, how do you see the startup season currently as there are less unicorns happening these days, and because many startups will work like they just want to sell themselves to a big company like Iimg for Tata or Flipkart for Walmart instead of going for a perpetual company?

**Sandipan Chattopadhyay:** Firstly, I think, we should respect every startup who has given a shareholder value increase. It takes a lot of, you know, a lot of qualities for any startup to even go and get acquired by something so substantial. So, all due respects to all of them. I don't think that's something that we look at in a very derogatory way, or it is something which is a way of life for the startups. But yes, we have our focus, a philosophy wherein we like to have that respect for them. But our pathway is to make sure that we create long-term companies which have a substantial part of it, and kind of building a company to is one of the ways for the exit, but that's not the motive with which we start our companies on that part.

So, to answer your question how do we look at the startup environment, for us there has been no change. We are still looking at good businesses. We are still looking at good entrepreneurs. We are still looking at businesses which create impact and affect lives. I don't think anything has changed from that perspective in the startup universe for us. There is always a lot of space for everyone. Each of us have our hypothesis, and we are trudging along with ours quite singularly, and nothing much from that aspect has changed.

**Moderator:** Thank you. The next question is from the line of Sri Siva from Siva. Please go ahead.

**Sri Siva:** Sir, can you just throw some like on School of Accelerated Learning as to how it is different from other websites like a Scaler? Because I come from a finance background, I don't know much about this technology.

**Sandipan Chattopadhyay:** He said that basically SOAL, how is it different from others like Scaler and all? And what it exactly does?

**Srinivas Kollipara:** So, actually, at this point in time, since we have been working with them, they are actually re-looking at the entire model. They are continuing the work that they do, which is very similar to Scaler in certain ways. But they have the difference being that they only focus on three or four key areas. They are not as broad as Scaler is, but the truth is that actually, they are reworking all of this, and we will have more news for you by the next call. I don't want to say much more than that.

**Moderator:** Thank you. The next question is from the line of Abhishek Agarwal from Gems Quest. Please go ahead.

**Abhishek Agarwal:** Thank you for the opportunity, again. Sir, one question related to Soultrax. Last time we said that Soultrax had already started generating revenues in the first 45 days of its operation that was around, I guess, Rs 14 lakhs. And there was significant plans of scaling, you know, that design



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and all of that aspect of that business. So, how are we doing and you know, if you can spend and share some thoughts on it?

**Srinivas Koora:** So, Sandipan will share you from the execution point of view how we are doing, but in case if you look at it, the difference between the consolidated and standalone revenue, the additional revenue is coming purely from Soultrax. Soultrax has generated close to about Rs 52 lakhs of revenue in the first six months, out of which about Rs18 or 19 lakhs belongs to Q1 and the balance is from Q2.

**Sandipan Chattopadhyay:** And to tell about the plans for Soultrax, yes, we have tried a few things, and it has shown the kinds of marker, like as usual that we do. We didn't try to stick to one thing and over specialize on it till we found the right product market fit for the skill sets that Soaltrax can do. So, we are experimenting the variety of things, and the revenues speak for themselves, but now we are getting fine tuning it more. We will probably take some more time to create some more original content and try that out also. So, you will see that hopefully that growing at a PS faster than what we anticipated in the beginning, but then it's still within moderate levels of growth is what we assume. But the kind of content that we should be able to come up with or the kind of influential or innovation we can do in that content, I think that will augur well for many of our other ventures and for other ecosystem things that we are playing.

**Abhishek Agarwal:** Great. That helps. Thank you, sir. That's all.

**Moderator:** Thank you. The next question is from the line of Sri Siva from Siva. Please go ahead.

**Sri Siva:** Sir, from the investor presentation, what I could see is like our projects and their status are completed ongoing. So, I am going with the name of those projects, and I know, are those investment kind of things or they are revenue generating projects?

**Srinivas Koora:** So, basically, you must be aware that all these we are uploading on our websites etc. Especially, from a confidentiality point of view, these are more on the services side and the solution side. Based on the request and based on the agreement with the customers, we are not disclosing, but whereas as far as the portfolios is concerned, we are free to disclose, and we are disclosing accordingly.

**Sri Siva:** But these are investments, right?

**Srinivas Koora:** No, the completed one etc., the names what we have not given, what we have given is those are not the investments. Those are the projects where we have provided solutions to the corporate. Either they must be based out of India, UK or U.S.

**Sandipan Chattopadhyay:** Just to be clear, Mr. Siva, that we can't do any investment without disclosing the name. That's not possible. Only thing that where the name cannot be disclosed is when we have an understanding or a contractual requirement or generally, you don't give out your client's name



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because it's not a strategy, good thing also for everyone to know who you are serving and all those things. But whenever it comes to giving money, investing or taking equity in a company, we have to disclose the name. It can't be that for XYZ company and we will not define that we have taken a 30% stake. So, that can never happen. So, it's logically that wherever there is an investment, there will always be a name. For a project, we choose to give labels that we can disclose and are willing to disclose and for the others, we don't.

**Moderator:** Thank you. The next question is from the line of Dharmesh Patel, an individual investor. Please go ahead.

**Dharmesh Patel:** Sir, what is the rejection rate of ideas like out of 10, how many ideas do you reject?

**Sandipan Chattopadhyay:** Let's increase the number to 20, and probably out of 20, 19 get rejected.

**Dharmesh Patel:** So, 1 in 20 gets selected.

**Sandipan Chattopadhyay:** It may not be 19 ideas which are unique. It may be 19 approaches which could have the same idea being talked about in three, four ways, and of that probably in a 20:1 ratio we get to accept it. Yes.

**Dharmesh Patel:** And one more question, sir. Just out of curiosity, where do you get good ideas in U.S., India, London or Singapore?

**Sandipan Chattopadhyay:** We are mostly focused on India. So, we look at it, exceptional people have sometimes reached out from all these places, and we have worked with them. But mostly, we seek ideas mostly from India. The rest is incidental and accidental in that sense.

**Moderator:** Mr. Patel, you have any other questions?

**Dharmesh Patel:** No, that's it.

**Moderator:** Thank you. Next question is from the line of Raveendra, an individual investor. Please go ahead.

**Raveendra:** Sir, on the funding of startup sites, I understand that Woovly is raising funds. Is there any other companies that are looking for funding in the next couple of months?

**Sandipan Chattopadhyay:** We can't name them, but yes, there are quite a few companies in the startup in our ecosystem which are looking for funds. Yes,

**Raveendra:** On the Catalyst, has it started generating revenue?



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**Sandipan Chattopadhyay:** It has started doing some POC kind of paid POCs, but we would not say it's revenue. See, these are all deep take long-term projects. So, yes, they have gone into the paid POC stage, but not exactly in the revenue generation phase per se.

**Raveendra:** One last question, if I may ask. How do we approach to get a hard copy of the annual report, sir? How do we approach to get the annual report or copy of annual reports?

**Sandipan Chattopadhyay:** That Srini can answer.

**Raveendra:** I reached out to Company's Secretary a couple of times to get the annual report.

**Srinivas Koora:** I could not hear. How do we approach it? Your question, please.

**Raveendra:** So, how do we approach to get the hard copy of the annual report?

**Srinivas Koora:** So, as far as a hard copy of annual report whosoever has dropped us an email, all the hard copies were couriered either from our Corporate office or from the Register office. In case if you have requested and if you have still not received, please drop an email. We will ensure that it is dispatched tomorrow itself.

**Sandipan Chattopadhyay:** So, that said I am a firm propagator of we should not print and waste paper for things which are better than electronically. That has always been my stance. I don't understand why we have to send hard copies. And that's the hard stance I take, but I guess, regulatory compliances are there.

**Moderator:** Thank you. The next question is from the line of Sri Siva from Siva. Please go ahead.

**Sri Siva:** This is to Srinivas sir. Sir, in the last two conference calls, I heard that from the perspective of reporting numbers in thousands, and two investors have asked why you, why don't company report it in lakhs or millions instead of thousands? Even this time I see, you know, financials, they have reported in thousands. From the perspective of readability, I request the management to report it in the lakhs or millions from next time onwards.

**Srinivas Koora:** Well, we have taken a call on that. Even though the compliance says that there are certain provisions which says that either you need to report in thousands or when do you need to report in crores etc. But still we would be publishing two formats, one for compliance and one for the investors going forward effective from either December or from March onwards.

**Moderator:** Thank you. The next question is from the line of Elango, an individual investor. Please go ahead.

**Elango:** In the Woovly, there is a percentage drop in the equity, but there is no valuation increase. Can you give us clarification on this?



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**Srinivas Koora:** So, basically, what we look at is we look at the last round of funding, and we also look at their projections. We take a very, very conservative approach. So, what we did was even though you see the numbers have grown etc., but still we stick to the last round of funding. But in case let's suppose if the parameters are not in an upward trend, if you see there is a downward trend either in terms of the user base or in terms of revenues or the losses etc., then we do tone down. Even though last round of funding was at X valuation, we do go below that.

**Elango:** You mean valuation might reflect in the coming quarters, but the percentage drop would happen this quarter itself?

**Srinivas Koora:** No. So, basically, in case if there is no funds have been raised, the percentage will not drop, but yes, let's suppose in case Woovly raises funds in November or December, in the next presentation, what happens is Xelpmoc's percentage might drop, but overall increase in the pie with respect to our holding in Woovly.

**Elango:** It's not clear. Say, for example, around 3.5% drop in --

**Srinivas Koora:** Let's say, suppose they dilute 10 or 20%. Hypothetical example, 10%. So, what happens is Xelpmoc will get diluted to an extent of 10%, but the value of this 10%, the value of the holding might increase than whatever we are, it's reflecting right now.

**Sandipan Chattopadhyay:** No, I think, Elango, what was the name of the company you said?

**Elango:** Woovly, last quarter it was reported about 13.6 or 13.8%. This time it's 11.2%. But the valuation increase is only INR 5 lakhs. 2.5% valuation but it didn't go up. Is it by mistake....

**Srinivas Koora:** No. Woovly has gone for certain fundraise and where there is a convertible which is pegged to the next round of valuation. So, that's one of the reason why you see that our holding must have gone down, but you have not seen a subsequent increase in it. They have raised some debt fund, which is also linked to the holding.

**Moderator:** Thank you. As there are no further questions, I now hand the conference over to the management for their closing comments. Over to you.

**Srinivas Koora:** Thank you very much everyone for joining us. Please do drop us an email in case if you have any further queries. We are happy to answer on the best effort basis. Thank you.

**Moderator:** Thank you.

**Sandipan Chattopadhyay:** Thank you, everyone.

**Moderator:** Ladies and gentlemen, on behalf of Xelpmoc Design and Tech Limited, that concludes this conference. We thank you all for joining us, and you may now disconnect your lines.