



November 15, 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.: Earnings Call for the Financial Results for the 2nd quarter and half year ended September 30, 2023 - Transcripts

In continuation to our letter dated November 07, 2023 and November 10, 2023 and pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part A of Schedule III of the Regulation, we would like to inform that the Transcript of the Earnings Call held on Friday, November 10, 2023, at 04:00 p.m. for discussing operational and financial performance in 2nd quarter and half year ended September 30, 2023, has been made available on the Company's website at <https://www.xelpmoc.in/earningscalltranscript> .

We request you to take the above information on record.

Thanking you,

Yours faithfully,

For Xelpmoc Design and Tech Limited

Vaishali Kondbhar
Company Secretary & Compliance Officer

Encl: As above

XELPMOC DESIGN AND TECH LIMITED

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Bengaluru | Hyderabad | Mumbai | Gurugram



“Xelpmoc Design and Tech Limited
Q2 and H1 FY '24 Earnings Conference Call”

November 10, 2023



MANAGEMENT: **MR. SANDIPAN CHATTOPADHYAY – MANAGING
DIRECTOR AND CHIEF EXECUTIVE OFFICER –
XELPMOC DESIGN AND TECH LIMITED
MR. SRINIVAS KOORA – WHOLE-TIME
DIRECTOR AND CHIEF FINANCIAL OFFICER –
XELPMOC DESIGN AND TECH LIMITED
MR. JAISON JOSE – WHOLE-TIME DIRECTOR –
XELPMOC DESIGN AND TECH LIMITED**

MODERATOR: **MR. RAVI UDESHI – ERNST & YOUNG**

Moderator: Ladies and gentlemen, good day and welcome to the Xelpmoc Design and Tech Limited Q2 and H1 FY24 Earnings Conference call. 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, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ravi Udeshi from E&Y. Thank you and over to you, sir.

Ravi Udeshi: Thank you, Aman. Good evening to all of you and welcome you to the Q2 and H1 FY24 Earnings Conference call of Xelpmoc Design and Tech Ltd. 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 exchange.

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, Whole-Time Director and CFO, and Mr. Jaison Jose, Whole-Time Director. Before we start the call, I would just like to remind you that the Safe Harbor Clause applies.

With that said, I now hand over the call to Mr. Srinivas Koora. Over to you, sir.

Srinivas Koora: Good evening, everyone, and welcome to Xelpmoc's Earnings Call for Q2 and H1 FY24. I hope you and your family are doing well. We continue to see challenges in the startup arena due to the slowdown in funding with the emerging technology sector.

Hence, as stated in our previous call, we have proactively promoted our focus towards diversifying into corporate segment. I will dwell into the details of this strategy shift in the later part of my speech. For operating revenue for the quarter, it was recorded INR21.1 million for Q2 FY24 as compared to INR43 million in Q2 FY23, and INR23.1 million in Q1 FY24. The revenue decrease is on account of the transition from the startup segment to the corporate segment, and also on account of discontinuation of government business.

The government business was discontinued due to payment delays, non-profitable, and also changes within the government department that we have been dealing with.

We are seeing interest from corporates for our services. However, the conversion is expected to take some time. We expect our revenue to gradually start getting traction over the next few quarters. Operating EBITDA adjusted for the quarter was negative INR36.6 million as compared to negative INR16.9 million in Q2 FY23, and negative INR27.9 million in Q1 FY24. I would like to give some context to the increase in EBITDA loss in Q2 FY24 as compared to Q2 FY23. Though operating expenses have reduced, however, the decrease in revenue has led to the said losses. We expect our operating costs to be stable from here on.

Net loss for the quarter was INR45.3 million, partially due to INR8.3 million of ESOP expenditure and increased depreciation and amortization. The depreciation and amortization increase was due to increase in fixed assets and write-off of assets. This in comparison to net loss of about INR14.4 million in Q2 FY23 and net loss of INR38.2 million in Q1 FY24.

Regarding the change in revenue, we would like to state that our revenue strictly was diversified within startups, corporates, governments forming 32%, 61%, and 7% respectively of our H1 FY24 revenues. We expect focus on corporate segment going forward, more focus on data science will enable us to sustain the increase in the revenue. Our team size is about 107, including employees, interns, consultants, as compared to 117 in Q1 FY24.

Till date, we have served 61 clients, and our sustained interaction with the clients is foundation for performance. The fair value of our investment in portfolio companies stood approximately INR533.9 million as on 30th September 2023, as compared to INR684.6 million on 30th September 2022, and INR404.2 million as on March 31st, 2023. I would like to give some context to the decrease in the value of portfolio investment as stated in the start of the speech.

There has been an overall slowdown in fundraising activity in the new economic segment. Some of our portfolio companies were in fundraising stage for their growth plans. The slowdown affected them, leading them to curtail their plans.

Hence, now they are operating at a significant reduced scale or exploring other options, including strategic M&A. I'll discuss some of this in detail now.

For Fortigo, Fortigo has closed its operations and is in the process of winding up.

Once the set process is done, we expect to receive a consideration beyond our cost of acquisition. However, as a matter of prudence, we have written off the investment.

Mihup is a convergent AI platform providing real assistance and analytics on customer-agent interaction to accelerate revenue CX and business performance. Mihup's annual recurring revenue is close to USD1 million. Mihup's AVA is a smart customized virtual assistant benefited by AI with a multilingual support. Mihup AVA was deployed in close to 52,000 cars in Q2 FY23-24.

Woovly. Woovly is an e-commerce platform driven by social commerce. Woovly's platform currently has 54,000 plus influences, with a total of 175 million potential shoppers. The video views on the platform stands at 192 million per month. It is projected to reach USD 48 million annualized GMV run rate by March 2025. Woovly is looking to roll out a SaaS offering for brands to plug and play video commerce.

Snaphunt. Snaphunt is a remote talent marketplace that matches employers with the best talent across geographies. Its platform currently has 4+ million resumes. The total employers have grown 10.5% in Q2 FY24 compared to Q1 FY24. Snaphunt's soft launch of Snaphyre fully managed global contracting solution with two partnerships in place at the end of Q2 FY24 to boost recurring revenue from a fully managed solution.

Inqube. Inqube is a technology IoT and analytical platform solution for rural India. It is now compatible for livestock sector as well as expecting clients by FY24 and in poultry and dairy sectors. It's in-house development going on for low cost IoT sensors for farm level ambience and soil moisturize tracking. POC is in advanced stage, expect a commercial rollout by FY '24 end.

Pencil. The Pencil app provides a platform for book writing and reading. It also provides a mobile application for reading books. Till date, there have been more than 40,000 signups on the platform with a total number of 1,000-plus authors and 1,800-plus published titles respectively. It has recorded steady publishing volume at around four to six books a day. The team is currently working on making Pencil paid for authors. Pencil is widening its B2B services offering for OTT platform in order to improve cash cycles and revenues.

The Star in Me (TSIM). It is a learning as a service platform to drive organizational excellence. It plans to launch a home-grown DIY program planner product for enterprises by FY '24 end to accelerate sales. Cohort based leadership learning solution will be TSIM's key focus area going forward. It plans to slowly build suit of products to help accelerate sales and effectiveness of learning experience. It is shifting focus from a broad based woman only target group to focusing on both genders.

School of Accelerated Learning (SOAL). SOAL provides industry in demand courses to freshers, undergraduate students and employed candidates for upskilling. SOAL has successfully raised a bridge round of INR7 million from existing investors. The National Skill Development Corporation and SOAL have partnered to skill India's youth for the growing demand of software development engineers, data science and machine learning specialists through an outcome driven scaling model. Through this partnership, SOAL aims to scale more than 5,000 students in the next three years. It's been onboarding 15-plus fixed fee learners every month.

Signal Analytics. Signal Analytics is about 91% subsidiary of Xelpmoc Design and Tech. It is building an ecosystem of learning tech companies and products that focus on building the fundamental capabilities of self-learning. Signal wait list has more than 11,000 users currently. It will run a two month launch campaign in H2 FY '24 to reach its goals of 20,000 users. Signal has already started a pilot at school in Hyderabad.

Catalyst. Catalyst is a disruptive competitive intelligent system and data analytical platform to provide access to financial, clinical, scientific and regulatory information exclusively in the life science industry. Catalyst formed a strategic partnership with Launch Ventures, a Canada based venture studio to accelerate sales, marketing and product development to better serve pharmacy and biotech and investors. Catalyst recently integrated visualization to its core platform and company plans to roll out an interactive model alerts and clinical trial analytics. Catalyst has strategically delayed large scale commercial launch due to bad biotech and pharma market conditions and focused the last quarter building out the visualization functionality.

Xelp enters into startup mostly at an incorporation stage or a pre seed funding stage or at a pre-revenue stage. Majority of our startups have just started revenue generation and are still burning cash. Few of our startups like Mihup and Woovly are doing well. The rest of them are yet to close their next round of funds. Hence, they are focused on revenue increase and sustained improvement. As of now, the startup ecosystem is still seeing significant pain and we are looking at scaling up Xelp's own products and services.

We will be focusing on more revenue generation on corporates, focusing on data science, artificial intelligence and machine learning. We will be looking at only onboarding startups on

a selective basis if they look very attractive. We are working towards becoming EBITDA profitable at the earliest. However, considering the current environment and our current state of transition of focus shift from startups to corporate will likely take some time. It will take some quarters for the said profitability to materialize.

With this, now I request to open the floor for questions-and-answers.

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

Puneet Motihar: Hi, firstly, Dhanteras to everyone.

Srinivas Koora: Thanks, wish you the same, Puneet.

Puneet Motihar: Thank you. My first question is regarding Woovly. As per the presentation, Woovly is valued at - I mean, we have 8.7% of stake which is valued at INR15 crores. And just in last quarter, you had mentioned that Woovly had raised INR10 crores at a valuation of USD 4 million, which is approximately INR32 crores to INR34 crores. So, what am I missing?

Srinivas Koora: So, basically, Puneet, what has happened was they have raised one round at a USD 4 million and there was one subsequent round, which has happened close to a valuation of about USD 20 million.

Puneet Motihar: USD 20 million, which is after the round...

Srinivas Koora: Post money of about USD 21 million. Post money investment of about USD 21 million. After the USD 4 million round, there was a subsequent round which has happened, at a post money of USD 21 million.

Puneet Motihar: And how much money was raised by Woovly?

Srinivas Koora: So, they have raised about close to INR11 crores in the last round of funding, where the valuation was close to about approximately USD 20 million pre-money.

Puneet Motihar: Okay, got it. And, sir, as per March 2023, we had close to INR19 crores in cash and cash equivalents. How much would that be now?

Srinivas Koora: So, that would be close to cash and cash equivalent would be close to about INR10 crores.

Puneet Motihar: Okay, so we are using the cash to cover up for our losses. Is that a correct understanding?

Srinivas Koora: That is right.

Puneet Motihar: Okay, so for at this rate, like what is the burn rate?

Srinivas Koora: So, currently in case if you look at it, Puneet, we are burning close to about INR1.45 crores to INR1.5 crores a month. It is not a burn, I am just saying the total cost. If you look at the burn, burn would be roughly close to about, I am just taking into consideration only the cash

component, I am not considering the non-cash component. So, the burn would be close to about INR95 lakhs to about INR1 crore.

Puneet Motihar: Okay, so we have a runway of 10 months left?

Srinivas Koora: Yes.

Puneet Motihar: Okay, so are we planning to raise money again or like how does it go to keep Xelpmoc sustainable in the long run?

Srinivas Koora: Yes, Puneet, in case if you look at it, what we did was we shifted our focus from startups and from government to corporates only two quarters back. And we have also seen that like there was a slowdown, especially on the IT side. So, because of which it is taking more than expected time to close the transactions. So, what we see is going forward, the burn should come down substantially. If not this quarter that you will start seeing it from the subsequent quarter, which is from Q4 of FY24.

Puneet Motihar: Okay, got it. Thank you so much.

Srinivas Koora: Thanks, Puneet.

Moderator: Thank you. The next question is from the line of Om Prakash from Amite Investment. Please go ahead.

Om Prakash: Sir, thanks for the opportunity. Sir, we have invested in FirstSense Technology Private Limited, but this is not in the presentation, sir. And this was said to be the new video technology. First question. And second is, give guidance about, sir, products and services business. Is there expanding? They are expanding, sir?

Srinivas Koora: So, the first question, I will take it. The second question, Sandipan will respond. As far as the FirstSense is concerned, FirstSense, even it is on a video analytics platform, the technology is very good. Even now, we like that technology. There would be a good demand for that technology. But unfortunately, since the funding was not happening and entrepreneurs were not in a position to survive and they were not able to raise funds, that is the reason why they have to shut down.

In case, if you look at our current financials, we have a written-off the FirstSense. But what we are also looking at, we are also evaluating in case if we can take that particular product, whatever they have built into the FirstSense, this is still in discussion and not yet materialized. As far as the products and services are concerned, Sandipan, over to Sandipan.

Om Prakash: Thanks.

Sandipan Chattopadhyay: Hi. So, for the products and services, yes, we are seeing some increasing traction. And now, like Sriniv said, we are solely focusing on the corporate sector. It is not something that we had envisioned doing when we started Xelpmoc. But at this point of time, that seems to be the prudent way. And unless a very mature startup is coming on, where the services revenue is not subsidized like our previous parts were, it would grow attraction.

So, we think that the adjustment will take about another one quarter or two quarters and we will start seeing the burn come down and hopefully slowly overturn to get some profitability into the company very soon.

- Moderator:** The next question is from the line of Prithvi as an individual investor. Please go ahead.
- Prithvi:** Yes. Okay. Xelpmoc participated in SOAL bridge round, they have raised around INR70 lakhs?
- Srinivas Koora:** Yes.
- Prithvi:** Okay.
- Srinivas Koora:** Just one second.
- Prithvi:** Sorry?
- Srinivas Koora:** Yes. Xelpmoc has participated. It's not on a pro rata basis, but we participated just for sake of participating. It was only INR5 lakhs contribution from our side.
- Prithvi:** Got it. But has opportunity to invest upto INR10 lakhs, right??
- Srinivas Koora:** Yes. But basically, we don't want to do a cash investment because we want to preserve cash for our own operations. That's one of the reasons, why we haven't invested in the form of cash.
- Prithvi:** Understood. My second question is regarding a product called X-Tact. Upcoming -- these two years, it's going to be elections here in India. Do you see any revenues coming from that product? X-Tact.
- Sandipan Chattopadhyay:** It's a good question. We have been trying. As of now, there is nothing which has matured, but some POCs and some things have occurred. We are still awaiting to see if that will be there. So many of these visions have taken in the last moment in some of the parts. Obviously, they have their own bold strategy and all working. So we are an add-on product, so they're evaluating it. And at a certain juncture, we think some of these things will have hope at some of the state elections that are taking place.
- Moderator:** The next question is from the line of Kanu as an Individual investor. Please go ahead.
- Kanu:** Sir, my question is that Xelpmoc UK had zero revenues some time back. So what is the current revenue run rate now?
- Srinivas Koora:** So as far as UK is concerned, as we have been narrating even in this regards in our last two earnings call, we are not going ahead much on this . We are not investing time and effort in UK, right now. The reason being right now, it's still there is a slowdown in U.K, but in case if any opportunities are coming, we are directly entering into contract with the Indian entity itself. So as of now, as of 31, August, we have do have one UK client, but we are serving directly from India.

Kanu: Okay. And do any of the products right now have any revenue coming in of the three major products that are listed on the website?

Srinivas Koora: Yes. No, right now, no, we are not generating any revenue, but we should see some traction on OCR maybe from coming quarter onwards.

Kanu: Okay. So that X-Tact product, should we expect revenues in the coming next year -- in the first six months, next?

Sandipan Chattopadhyay: X-Tact is I'm not very sure. But the OCR part and X-Pand, these are the things where we expect some revenues to come from beginning of next year, at our next calendar year and financial year.

Kanu: Okay, sir. Thank you.

Sandipan Chattopadhyay: X-Tact is, rightly, we don't know exactly which way it will go. The market reaction is good. So everyone likes the product. But at the end of the day, it's not exactly a stable corporatized market that we're dealing with.

Moderator: Thank you. The next question is from the line of Nikhil from UM Capital. Please go ahead.

Nikhil: I have a couple of questions. When I hear that the company will change its focus to corporates from the focus on start-ups and government, I would like to know, which these segments of the corporate you would like to focus on, I mean to say with technologies or with verticals?

And second sub-question here I can say is, how would you differentiate yourself from other IT services company? Because I'm asking from an investor point of view, when I look at this company, I started looking at this differentiated business strategy. Now if we are again going to a services company to corporates, how would it be different? Thank you.

Sandipan Chattopadhyay: That's actually a very, very right question to ask, and that's one question that we have answered to ourselves also to defy on this path.. But it's a prudent way to do it so that we can sustain ourselves in that part.

So that being said, let me tackle the second question first. And as a philosophy, we are not changing. You may say that we are taking a pause at this point of time to do that part. And the vision and the overall focus of the company is the same, which also will tell you how that the differentiation that we'll bring to the services we bring to corporates also. So we have always been focused on innovation. And start-ups are always the biggest harbinger of innovation. And they were the first in line of innovation to focus on start-ups was there.

That said, corporate does have a lot of innovation needs for their own internal products and for other parts of things on that. Some of the corporate like start-ups also want to be treated as corporates. We are building a pricing engine for a so-called start-up, but it's actually a corporate engagement for us because for us, a corporate engagement is when we don't get any equity out of it. We just get the services fee.

Now the differentiation is focused on that part. We are not supplying manpower or skill set to corporates like normal software services companies. We are doing turnkey solutions for a

problem or a product that they are building end-to-end. As of now, that much of differentiation we have kept and that much of a focus we have kept onto our part. We are also opening up to the chance of taking a lot of start-ups from overseas to do their product development with us. But we are not looking at equity those start-ups necessarily.

So the fact that because we were looking at equity and all, sometimes that used to be an entry barrier, but we want to still say focus on the skill set we have built on innovation. But at this point of time, it's probably better to go for cash out than try to take a risk with the equity part. That's the overall change of strategy. Does that answer your question?

Nikhil: Yes, somewhat.

Sandipan Chattopadhyay: Yes. It's not the best way that personally I would prefer and that we have to admit. But at the same time, taking those risks and looking at this sort of paucity in the overall market, we didn't think prudent for us to sort of go ahead and try to be very dogmatic about it and not be affected, so getting in that.

But at the same time, the portfolio still exists. Those companies are still served, and that part of whatever has been the past part of it is there. And we are looking at start-ups but in a slightly more stable situation.

We have shifted our engagement time from before the product is being thought of, we were entering at that time. Now we are looking at start-ups only where they can sustain and sort of at least stay for the services we're providing. But engagement with start-ups with that.

Government, I guess with all these things going on, we probably didn't have the capacity to handle the kind of typical situations that come when you handle government projects. So we decided that it's not something that we are able to give and have the same power to stay and invest for -- we made for our two years-three years a small investment.

So for the moment, not doing it directly, but at the same time, we would try to do with the partners who can handle those situations. And we can do the technology development as usual.

Moderator: Thank you. The next question is from the line of Puneet Motihar as an Individual investor. Please go ahead.

Puneet Motihar: My question is regarding Catailyst. We have 0.3% equity in that company. Can you just explain to me how does the Class A share equity work?

Srinivas Koora: So basically, either you are with voting rights, or you are without voting rights. So that's the only difference what we have. So in case if you look at it, including voting rights and without voting rights, we hold close to about 40% equity in the Catailyst. And for that, they must have given some ESOPs on a dilution basis. Even if you remove ESOPs, etc., it would be still close to about 36-37% on a fully convertible basis.

Puneet Motihar: 36%-37%?

Srinivas Koora: That's right.

Puneet Motihar: Okay, got it. And this question is directed towards Mr. Sandipan. Sir, you mentioned in the annual report that the services will be put on steroids. So shall we start seeing some traction from next quarter onwards, like some significant jump in revenue from next quarter onwards?

Sandipan Chattopadhyay: So Puneet, first of all, transition is happening. We are getting out of government projects and sort of keeping the same amount of revenue coming into the corporate part of it. I think we should see growth in the corporate segment from probably Q1 next financial year.

We'll stabilize by the next two quarters, make sure that the loss of revenue that we are going to incur for letting go of the government projects is made up for from the corporate sector. That eases our cash flow situation, pending payments and all from the government was becoming a hassle for us.

Puneet Motihar: Okay, so you're saying we'll still have muted revenues for the next two quarters and starting from next financial year, Q1 of FY25 will start seeing corporate revenue?

Sandipan Chattopadhyay: Correct. But you'll see some restructuring things and all happening from Q4 itself. There are certain other plans that we're looking at because there are things we have been building on that for the products and other stuff that we will see getting some cost benefit will start coming because we will start deploying those people into the services parts of it also.

Puneet Motihar: Got it. And so we've also ventured into this new venture called Ed-Tech, which is 10 months of runway remaining in the company. So don't you think we're spreading ourselves too thin, especially at this juncture where, you know?

Sandipan Chattopadhyay: Absolutely, absolutely. That's the reason I said the restructuring we'll see things we have been building in the stealth will essentially be kind of made independent and we will not be incurring any cost for any of these things for the time going. We will be preserving our passion, not taking that venture as a target now. But at the same time, that's at a mature stage where it has other means of functioning that we will be working on.

Srinivas Koora: And apart from that, Puneet, as far as Ed-Tech is concerned, Ed-Tech will raise funds on its own for operational and product development.

Moderator: The next one is from the line of Wayne Fernandes as an individual investor.

Wayne Fernandes: Yes, actually, one of my questions got answered in the previous round. I just have one additional question. I just wanted to understand what is the promoter's vision for the company? Are you still confident? Because I think a lot of things have not gone as planned. And there's been a sharp fall in the share price. There's been no promoter buying as such. So as far as the investors are concerned, I just wanted to know, are the promoters still having the same confidence in the company?

Sandipan Chattopadhyay: Absolutely, we are in it. And see, there's no point saying that these were all told before, because of course, the momentum and all those things are happening. But a part of it was anticipated that it will not be that all projects will go on to succeed. At the same time, some of the ones close to our hearts failing did have some momentary setbacks to each of us on an emotional basis. But I

think overall, it's a game of math of the first lot of the three, four that we really bet on. One has really gone there, but one has really gone up better than what we expected.

I think overall, I had always said that once we went public that it is a seven year cycle, we will go through things. It's a little unfortunate that within the first two years of there, we failed to anticipate headwinds, which were there, we went with full gusto, because we thought it's the time to build on to that part. But now that we are prudent and all, the long term part doesn't get affected.

It's just a question of making sure that we set our priorities and the regulator in the right focus to make sure we survive on to this part and do it. And it's at the same time, not losing the basic DNA we have so painstakingly built in terms of culture and innovativeness. We don't want to become a body shop just to make it a thing.

So there is a balancing act we are doing, instead of going all out and trying to harp on and just get into profit booking in terms of margin making and all, which obviously was one of the alternatives, we have stuck to the basic fact that okay, we will go away from the startups because that's what's prudent. But at the same time, we don't want to become a kind of a skilled supplier just because we have the skills. We still want to retain the product solution development attitude. And this is the way we will do a specialized services part.

Wayne Fernandes: So we are here.

Sandipan Chattopadhyay: We are not going anywhere that much, I can tell you. Personally, obviously, this is something that is going to be part of me till I am working. That much I can tell you.

Wayne Fernandes: All right. Thank you, Mr. Sandipan, Just one follow up. So Yes, I agree with you. I think it's going to be a long cycle. And that's something I guess sometimes the market probably not understand it. But as for me personally concerned, yes, I have full confidence in the company. And I had slight concern when I heard that we have just INR10 crores of cash remaining. But as long as I think the company manages to survive, I think over the long term, this should probably, I think, do good. So that's my only... But I think you answered that in the previous question. So I won't harp on it.

Moderator: Thank you. The next question is from the line of Pruthvi as an individual investor. Please go ahead.

Pruthvi: Hi again. We would like to know at this point of time, how much of people's resources are invested in kind of services and let's say startups?

Srinivas Koora: So as far as the total resources are concerned, close to about 8 to 10 people are working on startups. But those are not technology, more like interacting with them, giving some sort of an advisory or helping them in terms of go-to-market strategy or helping them in terms of fundraising or helping them in terms of like how to set the process. And the few set of people close to about 25% to 20%, maybe about 10 to 12 people are working on some of the other R&D and the rest of the people are working on the services project.

- Srinivas Koora:** Services and products. Internal services also. Both of them.
- Moderator:** The next question is a follow-up question from the line of Omprakash from Amite Investment.
- Omprakash:** Sir, when will the effect of the ESOPs end? Every quarter it is about 3 to 4 crores. And in this two-quarter remaining or more than that, sir?
- Srinivas Koora:** So another three quarters would be there, sir. One quarter has gone. So you will see in another two to three quarters.
- Omprakash:** Thank you, sir.
- Moderator:** Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference back to the management for the closing remarks. Thank you and over to you.
- Srinivas Koora:** Thank you, everyone, for joining us. You can reach out to us in case if you have any further questions. Wishing you all a happy Dhanteras, shubh and safe Diwali, thank you.
- Sandipan Chattopadhyay:** Thank you, everyone. And thanks for being with us through all this.
- Moderator:** Thank you very much. Ladies and gentlemen, on behalf of Xelpmoc Design and Tech Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.