



“IntraSoft Technologies Limited Q3 FY-17 Earnings  
Conference Call”

**February 07, 2017**



**MANAGEMENT: MR. ARVIND KAJARIA-MANAGING DIRECTOR,  
INTRASOFT TECHNOLOGIES LIMITED  
MR. MOHIT KUMAR JHA-CHIEF FINANCIAL OFFICER,  
INTRASOFT TECHNOLOGIES LIMITED**



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**Moderator:**

Good day ladies and gentlemen and a very warm welcome to the IntraSoft Technologies Limited Q3 FY17 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations on the company as of date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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 am now glad to hand the conference to Mr. Arvind Kajaria – Managing Director of IntraSoft Technologies. Thank you and over to you Mr. Kajaria.

**Arvind Kajaria:**

Thank you. I welcome everyone to the Q3 FY17 Earnings Call for our company. I am joined by my colleagues Mr. Mohit Kumar Jha-CFO and SGA, our investor relations advisors. We have uploaded the investor presentation and financials on our website and I hope all of you would have got a chance to go through it.

I would like to start the discussion with the financial highlights and few important events for the quarter gone by followed by the question and answer session. During the course of our journey we realized that we have to make our systems strong and robust and having tested that we are quite okay on that front. We also tested the depth of the market and we realized that there is enough space for us to grow as far as the market opportunity grows. However, during the first quarter of this financial year we assessed that we would need to make a structural improvement to our working capital cycle for the business to scale seamlessly and fully realize its long-term growth potential. This has been our primary focus during FY17 and towards its end we have taken measures such as renegotiating contracts with our supplier partners although it meant sacrificing growth in the short run. I'm pleased to note that our efforts have started to bear fruit in the form of increased supplier's credit which not only alleviates the need for any additional capital but also shows our growing importance in the marketplace. We have since moved to a self-sustaining working capital structure which gives us the headroom to scale and take full advantage of the market momentum. During the last couple of quarters, we did not add the same amount of new products as before because of renegotiation of contract. As a result, we saw bump-up in profits. As before, we intend to reinvest these monies into bringing new products on board and thereby boost our top line in similar trajectory as before.

I now move on to discussing the financial highlights. Our e-commerce revenues for nine months FY17 witness 37% growth year on year to 709.84 crores, while for Q3 FY17 revenue stood at 276.16 crores, a growth of 9%. The gross margin for nine months FY17 stood at 19.4% an increase of 0.9% year-on-year while for the quarter, gross margin was 19.2% versus 19.3% for the same quarter last year. Consolidated EBITDA YTD before other income increased to 18.28 crores from 10.13 crores with the margin of 2.5%. The growth in EBITDA



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reflects continuous efforts in building strong business relationship with our vendor. Our shipments for nine months FY17 grew by a whopping 61% year- on-year to 23,12,303 orders. For Q3 FY17 we achieved the growth of 33% in order shipped on YOY basis to reach 10,19,290 orders. This is the highest ever quarterly shipments executed by us. We added 50 new suppliers and 20,000 products during the quarter taking the total to 1833 suppliers and 5,75,000 unique products to our catalogue. Our top categories were furniture, patio, lawn and garden with 30% share, toys, games and baby products with 20% share, home improvement and arts and crafts with 13% share, musical instruments and gadgets with 13% share, sports and outdoor with 12% share, kitchen dining and appliances with 10%. As on 31<sup>st</sup> December '16 inventory at our warehouses was 35.88 crores. Our fast moving categories and products and promotional driven inventory led the inventory turnover cycle trailing 12 months to improve to 11.4 from 10.7, additional goods in transit at the end of the quarter was 8.99 crores. As on December 31<sup>st</sup>, 2016 accounts payable days trailing 12 months for our e-commerce business was 16 days and accounts receivable trailing 12 months was 4 days. With this, we were able to reduce our working capital gap to 20 days from 21 days which is significant as it depicts increased acceptance of our business model, the acceptance of our vendor base who sell through us which we believe is the ultimate in our business. Our e-commerce business generated free cash flow of 40.12 crores during the quarter. On a TTM basis our revenue per employee has increased to 4.93 crores indicating increased benefits of automation ultimately leading to a highly scalable business model.

With this I leave the floor open for Q&A. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin with the question and answer session. We take the first question from the line of Mohit Jain from Anand Rathi. Please go ahead.

**Mohit Jain:** Two questions, one is on your blended pricing which seems to be going down quite sharply. So is that to do with product mix for is it something that you think is a structural change in your product mix now suggest that pricing may continue to decline in FY18 as well, that was one? And second when you say revert back to the growth rates of the past are you still hinting at 35%-40% kind of year over year growth for next year?

**Arvind Kajaria:** I will take your first question; I would not say a sharp drop in pricing or a product mix change as per our design. This is mainly because we sold majority of toys and daily products which is customary during the holiday's season which is why you might see average realization fall and yet the number of orders go up. The margins remain the same irrespective of which categories we function and come January which is the current quarter you will see that realization going up as furniture and other products begin to sell. So as far as we're concerned there is absolutely no change on that front and as you follow our company hopefully more and more you will find that this is more a seasonal and cyclical way to go about it. As regards your second question I already mentioned in the release that now that we have proven that we are profitable and



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scalable as far as technology in the market is concerned and with a new impetus of capital from the suppliers yes, we intend to come back to the same growth roads as before. You mentioned 30% to 40% I think that's a fair number that we would be shooting for and hopefully if things work in our favor we should be able to beat it.

**Mohit Jain:** Just a follow up on that, you talked about some of the supplies were going out of the system because of the new trade terms that you are trying to get them on in January because Jan to December is the main season when you get new contract. Any of those coming back to you for the tie up next year, next year means this year Jan to December?

**Arvind Kajaria:** I want to clarify I didn't mean or I don't remember saying exited the system, I said slow down because we are renegotiating the contracts and the right time to do that is January, come 1<sup>st</sup> of January because the US works on a calendar basis. So again I'm happy to report that most of our suppliers are back and the negotiation with the rest of them are back and we are very confident that they will come back and the growth trajectory will continue as we have projected.

**Mohit Jain:** So we can find this improvement from 4Q onwards Indian calendar?

**Arvind Kajaria:** It will not be like a hockey stick kind of an improvement but yes, on a consistent basis as more and more people come you will see a steady improvement in the top line.

**Moderator:** The next question is from Rahul Agarwal, private investor. Please go ahead.

**Rahul Agarwal:** My question was what would be the forecast for our business performance in Quarter 4 FY17 considering the quarter has historically been a soft quarter in terms of profitability?

**Arvind Kajaria:** We are on track, historically it's a soft quarter because much of the contracts you get a trade discount which is typically accounted for at the end of the year. So it's not really a soft quarter from in operational point of view while it seems from an accounting point of view as per GAP norms we are obliged to report all the trade discounts as and when they materialize. So given our higher volumes that we are experiencing again hopefully we should not deviate from the numbers like I said, so we are looking forward to a quarter that is consistently with the last year's Q4.

**Rahul Agarwal:** What would be the plan of action in terms of squeezing more in terms of working capital days?

**Arvind Kajaria:** As I said in my commentary we are very happy with the kind of response we've got from our vendor base, the cycle of credit that we were enjoying you will see in the balance sheet it's substantially come down from 25 crores levels advance to about 5 crores which is currently stated which means that most of the people have willingly converted into offering us credit. So this will definitely lead to a higher number of days as far as suppliers' credit is concerned. A



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market survey shows that 60 days credit is what typically the larger boys get and that is something that we will aim towards as we proceed along our journey.

- Moderator:** The next question is from Amit Agarwal, private investor. Please go ahead.
- Amit Agarwal:** I just want to know what percentage of your staff is on H-1B visa.
- Arvind Kajaria:** Currently we have not got anyone on an H-1B visa.
- Amit Agarwal:** So you won't be impacted if there is a policy change by Mr. Trump?
- Arvind Kajaria:** We don't have any plans really to send one on H-1B visa that's not our model. Hopefully it would have little or no impact on us. As of right now we have no one on an H-1B or an L-1B visa.
- Amit Agarwal:** Three months back you had a credit line from one of logistics partner? It seems it has no positive impact on the results of this quarter, am I right?
- Arvind Kajaria:** No, it is definitely if you've seen we have grown if you have seen the nine months' performance the top-line is up by 36% and our PAT is up by 81%. So obviously it's got positive impact.
- Amit Agarwal:** But credit line was just 3 months back only and the top-line the growth is before that most of the top-line growth.
- Arvind Kajaria:** Yes it takes a little time for the monies to come in and get invested into the business. So I think the real benefit of that you will see in the current year.
- Amit Agarwal:** Do you have any plans of joining Walmart third-party sales partner?
- Arvind Kajaria:** It is our plan to join every single market place that we get invited at. Walmart is certainly one of the partners that we would be looking at strongly. We have approached them and it will take X amount of time before things materialize. But it is our intent not only to join Walmart but every other marketplace in the US.
- Amit Agarwal:** Any idea what percentage of the online business they have, Walmart?
- Arvind Kajaria:** From what I've read they are second to Amazon. I can't give you the exact figures because I don't have that in front of me. But they certainly have a very solid online strategy as well.
- Amit Agarwal:** Do you expect you becoming a partner of Walmart happening in this year or no I mean to say this calendar year?



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- Arvind Kajaria:** Yes we certainly hope so.
- Amit Agarwal:** Since Amazon in last one year is favoring more of more FBA sales and your basic model is delivery from vendor, so is the system becoming bit obsolete because did Amazon prefer leaving your goods at FBA?
- Arvind Kajaria:** Just to clarify, all our inventory sales are through FBA as well so we are participating in the Amazon's FBA program and we are glad to partner with them. It gives us the strength that Amazon has as far as fulfillment is concerned.
- Amit Agarwal:** What percentage of your sales are through FBA?
- Arvind Kajaria:** I don't have a figure in front of me but I would say approximately 25% to 30% our sales would be through FBA currently.
- Amit Agarwal:** Can we safely assume that now yearly growth of top-line of (+50%) is almost impossible to achieve in the future because one year back 100% was very easy for us but now it seems that 30%-40% is more genuine rather than (+50%) annually?
- Arvind Kajaria:** Again the growth rates subject to the fact that we would have to invest a substantial amount of capital into the system so we would either have to dilute equity or take on large amounts of debt in the book. We found that the earlier and larger players are more taking supplier's credit and growing the business and we asked our field agents to test to see whether we have got. I have said again and again that I am happy to announce that given our brand name and our importance that we bring to our vendors, they offered as the similar kind of credit that we can hope to get as the majors. So with that growth coming in I see no reason why we cannot get to, I cannot comment on whether it will be 100 or 50 but we certainly feel that our technology is scalable, the market is there and now we have got a financial scalability as well. We have every intent as management to come back to the earlier kind of top-lines that we were experiencing.
- Amit Agarwal:** That means 50% kind can be achieved with this new change in business model?
- Arvind Kajaria:** Yes we certainly intend to work towards it.
- Moderator:** We will take the next question from the line of Nirav Dalal from Maybank. Please go ahead.
- Nirav Dalal:** Just that on the margin front you have seen good improvement in the last nine months, you've reached to 2.3% EBIT margins, so any take on that, how do you see that moving, fourth quarter would be weak what about next year?



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- Arvind Kajaria:** Margins are related to the top-line growth. Obviously if we have to invest in new products and see them scale over Year 1, Year 2, Year 3 then certain amount of margin has to be spent on developing these products. So I have written in my release that as a result that we didn't add many new products in the last 3 to 4 months. We did see a bump up in profits and as before we intend to reinvest these monies into bringing new products on board and thereby boost our top-line. So our focus will revert back to now having achieved financial scalability and demonstrating that we can become profitable as soon as we stop adding new products. We will continue to invest the extra profit in the new products which will result in top-line growth as before.
- Nirav Dalal:** So we are reverting back to focus on faster revenue growth at stable margin?
- Arvind Kajaria:** Correct, without the need for additional capital which will also reduce financial cost.
- Nirav Dalal:** Just a question in terms of the finance cost that has increased in this quarter despite the decline in the debt, so your comments on that.
- Arvind Kajaria:** Yeah there were certain loans or debt we have taken on from institutions in the earlier part of the year when we were contemplating the need for money. And then when we saw these suppliers' credit going up so we closed that line of credit, so unfortunately, we had to bear some fees to close the line of credit as well. So the real benefit of supplier's credit you will see as greater reduction in financial cost as we move along the quarters.
- Nirav Dalal:** And when you say institutional so even the line of credit that you received that also would have been used in repaying the debt?
- Arvind Kajaria:** Can you repeat that I didn't understand that question.
- Nirav Dalal:** The line of credit that you've received from..
- Arvind Kajaria:** UPS Capital?
- Nirav Dalal:** Yes.
- Arvind Kajaria:** No that is on to use the business. We have taken other debt as well from institutions. We have retired that debt because we don't need the capital anymore. But we had to pay the money to close that line of credit so you will see I think a massive reduction in financial cost which again will either help increase margins or will help us introduce new products which is why I'm confident that top-line growth will come as before.
- Moderator:** We will take the next question from the line of Jagdish Bhanushali, individual investor. Please go ahead.



- Jagdish Bhanushali:** Looking at decent growth once again so I wanted to understand how does our working capital metrics move, will it be same or will there be a change in it. So I mean in terms of inventory in terms of account receivables and payables.
- Arvind Kajaria:** So as the number of AP days goes up we are able to get a higher level of the inventory for fast moving goods and the moment you buy in bulk your costs are lower than otherwise which helps you be the best price point in the market and your sales goes up.
- Jagdish Bhanushali:** Would that be fair that the holding up inventory also increased?
- Arvind Kajaria:** The growth in inventory will be consistent with the growth in top-line. If you follow our inventory turnover ratio, it was 10.7 which is now 11.4, so this shows that we are actually improved our inventory turnover. So we only stock very fast moving goods either in promotion or the goods that we have analytics to show that it we sell within 6 to 8 weeks.
- Jagdish Bhanushali:** But this number would be because we were under negotiation with our vendors. If at all this inventory number from 10.7 to 11.4 could be an aberration as well is that the fair understanding or....
- Arvind Kajaria:** No I think the number also increases because in the holiday season you get far more sales of varied products and otherwise.
- Jagdish Bhanushali:** The working capital will stay as it is, the payable days will stay at 16?
- Arvind Kajaria:** No, I have said in my earlier question that we think that there would be increased amount of supplier's credit, hopefully this should go on from 16 to 20 to 21 etc. so this would--in our belief and opinion-- this would continue to increase.
- Jagdish Bhanushali:** And how about the receivables the same as before?
- Arvind Kajaria:** The receivables have been constant at 4 days. We don't expect this to change.
- Jagdish Bhanushali:** Do we have any CAPEX for this particular year or next year?
- Arvind Kajaria:** We don't anticipate any substantial CAPEX. Whatever we do have is debited to the salary cost in EBE in developing our proprietary software.
- Jagdish Bhanushali:** So there will be no CAPEX as such?
- Arvind Kajaria:** We don't anticipate any substantial CAPEX.





- Moderator:** We will take the next question from the line of Tushar Jiwani, individual investor. Please go ahead.
- Tushar Jiwani:** Last year January to March quarter you had substantial increase SKUs I think around 50%. Can we expect something similar or do you have target of something similar and addition of SKUs?
- Arvind Kajaria:** Generally, the first quarter is the one when you sign-off lot of new products in new vendors because it's generally an annual contract. We have no reason to change; we continue to believe that we can create an impact on the market. We will continue to sign as many new products as possible. We have to keep the fact that new vendors come with learning curve and that learning curve we will have to see how much of that we want to take and we will have to kind of systemize it and spread it over four quarters. So I feel that we can match it but if not then it will be spread over the four quarters rather than on one quarter.
- Tushar Jiwani:** My second question is any parity that you have in terms of product categories that you would like to promote X category over Y category?
- Arvind Kajaria:** Even in the categories that we have we are hardly 1/20<sup>th</sup> of the market share if not more. So we would continue to press Home on all our current categories because as time goes by you become closer to the vendor base, you are more known face and people are more apt to opening of their catalogs with the increase in trust. So rather than focusing on adding new categories where we would have to invest moneys to take those products we would like to gain larger market share of the categories that we work so hard on for the last 2 to 3 years. But if something interesting comes we are open for that.
- Moderator:** The next question is from Nishit Rathi from CWC Advisors. Please go ahead.
- Nishit Rathi:** Arvindji just wanted to understand, you generated 40 crores of cash flow approximately this quarter, right.
- Arvind Kajaria:** Right.
- Nishit Rathi:** Could you just help us what this number would be in last December quarter if you had some sense out of there? Was it positive firstly or was it a negative free cash flow number last quarter that time and if some sense you could give around that? It's a very interesting development.
- Arvind Kajaria:** Mohit would like to share some thoughts on that?
- Mohit Kumar Jha:** Yes sir, we will have to calculate and get back to you in our next presentation.



**Nishit Rathi:** On December '15 can you give us the creditor numbers in the inventory number and the debtors number if that is available?

**Mohit Kumar Jha:** It's not available right in front of me. I can definitely give it to you offline.

**Nishit Rathi:** And just wanted to understand, you said in one of the earlier participant's question they asked. You basically mentioned that going forward with this correction that you've done that you will see substantial inventory buildup but that will be funded by the creditors, is that what I understood correct, right?

**Arvind Kajaria:** Yes. This will then help us increase our top line.

**Nishit Rathi:** So in that I just wanted to understand how do we as a company ensure against that if at all we don't have any losses because of inventory or stuff like that, is this going to be also consignment driven, do we have an inventory correction mechanism or how do we protect against that?

**Arvind Kajaria:** Most of our contracts have a return policy which means that after X amount of time you can return the products back to the vendor that is how we look at it. The negotiations are on with the vendors like I said because we are working towards more and more best practices because eventually that is what's going to help us scale. So most of our contracts would have a return clause if something doesn't sell we can always ship it back to them. Additionally we are also moving towards some kind of a consignment arrangement with our vendors. I wouldn't say that we really initiated that very powerfully but yes we have begun that process and every month we are seeing maybe 15 to 20 people sign on in that basis. It is our eventual hope that a combination of a return policy and a consignment is what we will achieve over the next 1.5 to 2 years.

**Nishit Rathi:** And in the past did we ever have any inventory write-offs or stuff like that let's say last year, this year, anything any provision we had made?

**Arvind Kajaria:** No, we've never had written-off because we don't carry a diversified inventory. We have had situations where we might have had to sell it at cost or maybe couple of percent below cost but that's been absorbed in the COGS.

**Nishit Rathi:** And that generally happens in the last in Q4 of a quarter or it's a self-correcting mechanism throughout the year?

**Arvind Kajaria:** No we don't pitch it on a particular date, it's a self-correcting. However, that said please note that we are driven highly intelligent analytical engine so we don't invest in inventory that we believe cannot sell over a 4 to 6 weeks or maximum of 8 weeks. We don't anticipate that situation.



- Nishit Rathi:** If I understood it correct you said that you will reinvest the big of your margin for the growth next year but even with that your endeavor would be the margin will grow in line with sales, is my understanding correct or did I get it wrong?
- Arvind Kajaria:** Somewhat correct because the mature products get the margin so unless you invest in some new products in the first year then eventually in year 2 or 3 you don't reach the full margin potential. So a portion of that we will be investing in what we call business development. All of that is captured in the COGS.
- Nishit Rathi:** So you're basically saying that if you did invest you would have actually seen margin improvement which you are not going to take but instead reinvest in the business, is that correct?
- Arvind Kajaria:** Yes, because currently the market momentum is strong and we are very well-poised to increase our top-line and make ourselves even more valuable to our entire vendor base. The reason they come to us is because we are able to sell hundreds and thousands of their products online which completely elevates them from any online activity on their own which is the USP we bring to them and we would like to continue on that USP.
- Moderator:** The next question is from Amit Agarwal, private investor. Please go ahead.
- Amit Agarwal:** I was looking at your nine months accounts; it shows a 100% jump in other income. What is the component for other income and will it come down substantially in the future or it will remain at this level only?
- Mohit Kumar Jha:** This other income basically includes the gain from redemption of all our investment which we do time and again to book the profit. We don't see much of the fluctuation in coming quarters as we have now the policy of booking all the profits on a quarterly basis. So we don't see as I said much of the fluctuation in coming quarters.
- Amit Agarwal:** That means in future also we can see 100% jump in next year same quarter or a roundabout?
- Mohit Kumar Jha:** What you see in the current quarter this will be same for 10% or 20% of jump in the coming quarters.
- Moderator:** We will take the next question from Partha Goswami, individual investor. Please go ahead.
- Partha Goswami:** What was the reason for drop in number of employees in a quarter-to-quarter basis?
- Arvind Kajaria:** This is as a result of automation, so lot of the processes are getting automated.
- Partha Goswami:** And what is the breakup of employees based out of India and US?



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**Arvind Kajaria:** Right now all the employees are based out of India. We have only one General Manager in New York.

**Partha Goswami:** Can you just explain me how are these suppliers empanelled, so what is the process there? Is he individually managing the complete process?

**Arvind Kajaria:** Yes, so we have what we call category managers and they have a bucket of vendors who they monitor and service.

**Partha Goswami:** And they operate from India?

**Arvind Kajaria:** Yeah.

**Moderator:** We will take the next question from the line of Satish Bhatt from Anvil Shares & Stock. Please go ahead.

**Satish Bhatt:** Mr. Kajaria I just wanted to know that exercise which we have undertaken in the last six months regarding vendor credit period enhancement and all the things, can you just throw some light how much of our vendors have been come on the new terms? How fast we will be able to come back to the old growth rates of maybe 70%-80% or 90%? And how is really going to transfer into growth from which quarter you can see the numbers coming in because I think in the market which is going at 30% US, we are scaling down growth for a longer term future it's okay that's a good step. But how fast you are going to come back in terms of growth can you throw some light on that?

**Arvind Kajaria:** We believe that already about 15% to 20% of our vendors have moved on to new contracts which are low for anywhere between 30 to 45 days of suppliers' credit. So there bump up in sales is something that we are already seeing and enjoying as we speak, the rest of the negotiations are on. January February is the month that we visit all the vendors and do these negotiations. So our belief and my current information is that systematically more and more people are signing-off. We have not had any headwinds. We have not heard from anybody that there has been a break-off in relationship as a result. So to answer your first question almost 15% to 20% people on our board rest of the negotiations on the board and we feel that over the next 3 to 6 months virtually everybody should be on the board on the new supplier credit terms. That said the growth rates have picked up. It is not to the exact numbers as before. But the process is already picked up and with every quarter you should see some improvement in the top line as well. It's also a question of how much of margin that we want to sacrifice so it's a thin line between margin and top-line growth. So we will take it in a holistic manner and invest little bit of the margins into business. So you should see small improvement in margins and a good improvement in the top-line from this quarter itself.



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- Satish Bhatt:** That's why you told 15% to 20% of the vendors have been done in the last 4 to 6 months. Are you confident that the other vendors will be done in the next 3 to 6 months?
- Arvind Kajaria:** Like I said I have not heard any headwind so there is no reason to believe that because that is the market practice for the mature supplier. Initially when you start nobody gives you that kind of respect but 123Stores has been around for a long time and we've helped our vendors substantially build up their online sales. I think as a mark of respect and to do a joint exercise together this was a necessity, so I have no headwinds to report.
- Satish Bhatt:** How are the other 3P vendors getting supplier credit like your size...
- Arvind Kajaria:** I don't have enough information to really comment on that.
- Moderator:** We will take the next question from the line of Tushar Sarda from Athena Investments. Please go ahead.
- Tushar Sarda:** I wanted to understand you were saying that you have tied up for supplier's credit which means that your growth will come only if you have inventory with you and not if you would bring direct shipment from supplier to the customer?
- Arvind Kajaria:** No, the drop ship as it's called popularly also comes with supplier's credit now. We were paying advance to them earlier Mr. Sarda which is clear from the balance sheet if you see and compare the number of loans and advances on that March 31<sup>st</sup> and you can compare it with 31<sup>st</sup>. So we feel it is a better practice as far as we're concerned to get credit from them as well. So it will come from sides, inventory as well as drop-ship.
- Tushar Sarda:** So in drop-ship you're paying advance in anticipation of getting orders, is that correct?
- Arvind Kajaria:** No that's a booking format. So you place a small advance so that your inventory with them is booked.
- Tushar Sarda:** So they'll hold that much inventory, so it's like an advance order?
- Arvind Kajaria:** Correct.
- Moderator:** Thank you very much. As there are no further questions from the participants I now hand the conference over to Mr. Kajaria for closing comments.
- Arvind Kajaria:** Thank everybody for the questions and for the interest in IntraSoft Technologies. We value your participation, your guidance and we look forward to your continued support as we continue to build a company which gives return to all the stakeholders. Thank you again.



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**Moderator:**

Thank you very much. Ladies and gentlemen, on behalf of IntraSoft Technologies Limited that concludes this conference call for today. Thank you for joining us and you may now disconnect your lines.