



IntraSoft Technologies Limited

“IntraSoft Technologies Limited Q3 FY18 Earnings Conference Call”

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IntraSoft Technologies Limited



**MANAGEMENT: MR. ARVIND KAJARIA – MANAGING DIRECTOR,
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Moderator: Good day Ladies and gentlemen and a very warm welcome to the IntraSoft Technologies Limited Q3 FY18 Earnings Conference Call.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the future 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.

Today, we have Mr. Arvind Kajaria – Managing Director of IntraSoft Technologies Limited, and Mr. Mohit Kumar Jha – CFO of the company.

I am now glad to hand the conference over to Mr. Arvind Kajaria. Thank you and over to you Sir!

Arvind Kajaria: Thank you very much. Good afternoon to all. I want to thank you for dialing in to our December ‘17 Earning Call. We have uploaded the Investor Presentation and Financials on our website. I would now like to start the discussion.

We are pleased to report a revenue growth of 25% in constant currency terms during the quarter a marked improvement from the 6% in Q3 last year. We continue to build on the strong growth momentum in the first half of this year and grew by 27% in constant currency year to date. With the leading marketplaces striving to increase their market share in their endeavor to be the one stop online shopping destination, we believe that the addressable market for 3P sellers will continue to expand. This we believe will benefit most of the 3P sellers who are tech empowered and have a strong balance sheet.

Over the last two years our technology and data analytics team have worked hard to increase automation, scale our order processing platform and optimize our analytics engine. This can be seen in the constant growth in our revenue per employee leading to a new record during the trailing 12 months Q3 FY18 placing us amongst a best in class tech companies in terms of employee productivity.

Before we talk about growth strategy for the coming years we would like to recap and take you through the developments over the last few quarters:

First, we bought a structural change in our business model where we moved in from giving vendor advances to availing credit from suppliers. This helped us to generate free cash flows which we believe was necessary for us to grow on a self-sustaining basis over the long-term.



In CY 2017 we focused on optimizing our inventory performance by constantly improving our inventory software module and the demand forecasting engine. This led to a constant improvement in our inventory performance every quarter with inventory turn increasing from 13.4x during the end of CY16 to 18x in the September quarter on a trailing 12-month basis.

We believe that now we have the stage for accelerated growth in the coming quarters. With our tech platform strengthened and all our modules running at optimum levels. During the last quarter we have therefore built-up inventory to fuel growth in the coming quarters. Going forward we would further generate cash flows through our operations by increasing supplier's credit and as the year progresses we would see the benefits of the negotiation with suppliers for increase limits.

Overall, we are optimistic of continuing the strong growth momentum in the coming years. We would continue to make investments in new products and add more suppliers which will be funded primarily through internal accruals and supplier's credit. We would only look at borrowings or any incremental capital requirements in the interim so as not to compromise the growth momentum. We also see reduced tax expenses from the recent tax reforms by the US government which my colleague Mohit will speak a little bit more about. This will act as tailwind for long-term growth as it will help us add more suppliers and invest in new products aggressively.

I take this opportunity to thank the team who have worked very hard to make this happen. My gratitude also goes on to all other stakeholders for their constant advice, encouragement and support.

I now hand over the floor to Mr. Jha who will discuss the financials in more depth.

Mohit Kumar Jha:

Thank you sir. Good afternoon to all. Results for the quarter ended December 31st, 2017 are in accordance with the Indian Accounting Standards. I would like to start with the performance for the quarter-ended December 2017.

Revenue from operations this quarter came in at Rs. 338.26 crores, growing by 25% year-on-year in constant currency terms and 20% in INR terms. Our income from operations for the quarter came in at Rs. 7.23 crores. For the nine-month period-ending December 2017 our revenues grew by 27% year-on-year in constant currency terms and 22% in INR terms to Rs. 885.41 crores. On the trailing 12 months basis our revenue came in at Rs. 1101.51 crores, a growth of 25% in constant currency terms and 21% in INR terms.

Now I will take you through some of the other highlights:

For the period ending December 31st 2017 our accounts payable days trailing 12 months for our e-commerce business was 10 days and inventory and account receivable days were at 20 and 4 days respectively. Our working capital cycle remained at 14 days in line with the last quarter. Our effective tax rate going forward would decline as the US government reduced the



corporate tax rate from 35% to 21% effective from January 1st, 2018. Our cash position remains comfortable to continue the strong growth momentum.

Thank you everyone and we are now open to questions.

Moderator: Thank you very much. We will now begin with the question and answer session. We have the first question from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: One is on your EBITDA, on an absolute basis it looks down from a YOY perspective, so if you could run us through the changes in cost structures only thing that you would have noticed in this particular year, 3Q '18 versus 3Q '17?

Arvind Kajaria: We had three things that we felt was contributor to that. One was, one of the major off-line retailers declared bankruptcy, so what it did was it pushed all the toys in the pipeline to the online sales channel which led to heavy discounting and some of our margins were also impacted with that. Additionally if you care to read my last year's con-call same quarter, I had said that we had only grown 6% because of a change in business model and we didn't added new products into the fold which is what led to an inadvertent bump up in profits whereas this quarter with now our all systems in place, we have chosen to add new products which will help contribute greatly to both top-line and bottom-line going forward. So the cost of that is also being factored into the EBITDA. And third is that there is India portion of the cost which the foreign exchange appreciation of the rupee cost is approximately 50 lakhs, so which is why EBITDA is slightly down.

Mohit Jain: If you have to take into account hypothetically if toys thing would not have happened how much would be the sales impact in this quarter like what percentage of sales would have been impacted because of this?

Arvind Kajaria: We believe that we'll compromise somewhere between \$8-\$10 million of sales because of that incident.

Mohit Jain: \$8-\$10 million on the base of 52 million, is it?

Arvind Kajaria: On the overall quarter, yes.

Mohit Jain: You are talking about this growth acceleration for FY19. We are already at 25%-26%, so is it going to be meaningful 34-35 sort of number or do you think more or less we'll maintain at the current rate of 30% if you remove the third quarter anomaly?

Arvind Kajaria: We believe our systems are all geared up, our analytics engine as well as the delivery engines well-placed. Our ratings continue to be very good, so our relationships with our suppliers are also on track. We don't see any reason why we shouldn't go any faster. To put a number to that we hope to continuously grow on a quarter to quarter basis outpace the growth what we have achieved in the previous quarter.



- Mohit Jain:** On this other current liability, there was some drop there are on a sequential basis. So this is the line item which your supplier credit?
- Mohit Kumar Jha:** Basically, other current liabilities primarily consist of supplier's credit in the form of credit card liabilities with certain credit limits and credit period of nearly 45 days from the bank. This came down YOY as we hit the credit limits and cleared the outstanding to reset our credit limits as part of our regular business process.
- Mohit Jain:** This is now at a level where 2Q '17 number was, right?
- Mohit kumar Jha:** Yeah.
- Mohit Jain:** So now when we enter fourth quarter and this is Jan to March quarter should this number come back to 24-25 crore kind of level we are in because that is the time when I am assuming you will be renegotiating the limits for full year.
- Arvind Kajaria:** Mohit this is part of the AP and this will grow in tandem with AP with the top-line, so more the top-line more the credit and more this would grow.
- Mohit Jain:** This is also synched to inventories, the more inventory the more the...
- Arvind Kajaria:** Yes absolutely.
- Mohit Jain:** This quarter was more like more inventory and less supply credit, so that should get reverse in the fourth quarter.
- Arvind Kajaria:** We hope so.
- Moderator:** The next question is from the line of Rajnath Yadav from Choice Equity Broking. Please go ahead.
- Rajnath Yadav:** What was the reason for a flat sales volume growth, one was that a toy company has gone into bankruptcy apart from that what was the reason, flat sales volume growth on Y-on-Y basis?
- Arvind Kajaria:** I trust you read our release because we have grown by about 27%.
- Rajnath Yadav:** In volume terms I'm asking because if I go by your presentation chart, it's almost flat.
- Arvind Kajaria:** You mean number of orders basis of course. So, number of orders normally tend to go up when the toys for the third quarter goes up because they are very less value and the number of orders shoots up. But unfortunately, we couldn't take advantage of that because of the reasons explained earlier. So the average order value went up because of the absence of the toy category.



Rajnath Yadav: Since last five quarters our gross margin is in declining trend, so going forward what would be the strategy to arrest the downfall?

Arvind Kajaria: We believe that our gross margin is more or less been constant. Our strategy remains the same Mr. Yadav, we increase the top-line using our internal accruals and to grow the business, keeping the margins constant, so that we would not be requiring additional outside equity. So hopefully the returns to the shareholders would continuously go up by an increasing EBITDA.

Rajnath Yadav: Why I was saying from last 5 quarters because if I see Q3 FY17 the gross margin was in the range of 20 to 21 and then now it is 17%, so it's a drastic decline. When we have a limit from our end that we cannot go beyond this level in terms of pricing, so despite having that limit our gross margin has declined.

Arvind Kajaria: I understand your question. If you care to read over last similar quarter conference call, we had compromised on growth because of a change in business model which caused an inadvertent bump up in profits, so you're comparing Q3 this year with that the difference being that we have added 25% to growth and also we see much stronger growth in the quarters to come which is why we have added new products to the fold. New products generally take a little time to get to the margin level. So while the top-line goes up the margin reflection comes in a couple of quarters down the road which is why you see that trend.

Rajnath Yadav: You mentioned that US has declined the tax rate from 35% to 21%, so going forward what will be the effective tax rate?

Arvind Kajaria: We have been advised by advisors in the US that the tax applicable to us from 1st of January would be 21%.

Moderator: The next question is from the line of Pranav Mehta from Value Quest. Please go ahead.

Pranav Mehta: Just wanted to confirm one thing, to achieve this accelerated level of growth that we are talking about, will we need to raise any additional borrowings or even equity capital to fuel that growth?

Arvind Kajaria: I have mentioned earlier and I'm very happy to repeat, we are very sure of building the business and growing the top-line. We remain equally positive that is going to come from our internal accruals because we are cash flow positive. In the interim, in the long-term we intend to fuel this growth by supplier's credit, because there is a strong momentum in the market and we don't want to lose that opportunity, we have banking limits which we will avail of in the short-term. But as the time progresses we believe that this gap would be met by supplier's credit and as such we do not anticipate any dilution of equity.

Pranav Mehta: Generally there is a slide in the presentation on the TTM free cash flow number; I couldn't find it this time around. So can you just give me that number for TTM free cash flow as of now?



Mohit Kumar Jha: So TTM free cash flow was negative approximately 40 crores vis-à-vis last year it was 5.7 crores positive.

Moderator: The next question is from the line of Pankaj Bobade from Axis Securities. Please go ahead.

Pankaj Bobade: What explains the degrowth impact by almost 20% when we are supporting growth of almost 20% on top line? As I understand one of our vendors has suffered bankruptcy but how do we get impacted because we are just intermediary for them?

Arvind Kajaria: So what you are asking is how does the toy disruption affect us, is that it?

Pankaj Bobade: Right, first thing when the top line has grown by the 20% odd.

Arvind Kajaria: 27%, yes.

Pankaj Bobade: I'm talking about in terms of INR; the bottom line has degrown by almost the same percentage. So is that bankruptcy of one of our vendors...

Arvind Kajaria: The two are unrelated Pankaj, let me explain that to you; what we mean is that when the off-line inventory came to be sold online and it needed to get rid of fast, so all the owners of that inventory which necessarily is not 123stores discounted the prices. And we did not want to participate in that deep discounting which is why we chose to stay away from the category which led to a compromise in sales. That said, we had little bit of inventory of toys as we always have which we also had to sell because of the season and that slightly impacted our margins. That is what happened on the ground. I hope I have replied your question, if not I would request that you ask it again.

Pankaj Bobade: But then the growth in top-line was almost 20% plus and the de-growth is at PAT level is also of the same amount. So the difference is very high that is why it is difficult for me to digest it.

Arvind Kajaria: If you heard my earlier conversation in this call and happy to repeat that. You are comparing this with last Q3 where we had a change in business model which led to an inadvertent bump up in profits. If you care to please read over last year's release and because of that we didn't add new products. Generally, when you add new products it takes couple of quarters to get into the margins whereas top-line increases immediately. So you're comparing it with last quarter and you are seeing that difference. However last quarter we grew only 6% whereas this quarter we've grown by 25%, so that is a factor of one the toys thing that we discussed, two it's on account of all the new products that we have added which will contribute to top-line moving in next quarters and third there was a foreign-exchange component of approximately 50 lakhs which has affected EBITDA.

Pankaj Bobade: You mean to say that Quarter 3 for last year was an abnormal run?



Arvind Kajaria: Abnormal run in terms of profitability because we didn't add new products. Every time you add a new product it takes couple of quarters to generate margin, but the top-line goes up immediately, so as a percentage it tends lower.

Pankaj Bobade: In this quarter we had PAT margin of around 1.5%, so will this keep sustaining going forward or will there be an improvement over it?

Arvind Kajaria: Our philosophy is to grow Mr. Pankaj, so we will use all our internal accruals and all the other resources to grow the business. As all retailers we need to grow to keep all our suppliers and become a prominent purchaser and online partner for them. That said, and also the fact that we philosophically don't believe selling at a loss. We believe that current level is what we are looking at to sustain the business. So yes, we believe that these margins are sustainable over a longer period.

Pankaj Bobade: Should it be considered that this quarter was one-off due to the unforeseen event of one of our vendors going bankrupt.

Arvind Kajaria: To that extent, yes. One of our categories had a disruption for which we had to participate. To that extent it was affected, yes.

Pankaj Bobade: Have we taken or would we in future take any steps to ring fence ourselves in case of such unpleasant development, our business?

Arvind Kajaria: We have built a forecasting engine.

Pankaj Bobade: Can you please explain that in detail?

Arvind Kajaria: Our forecasting engine is able to tell us exactly the amount of inventory that we should have for the quarter to come so that we can only order the ideal quantity. But unfortunately, this bankruptcy was filed just days before the onset of the holiday season. So we were impacted but we were impacted marginally. The others were impacted far more and it was because of our forecasting engine that the impact that we had was minimal. So, if you see there is not much of a difference between last year.

Moderator: The next question is from the line of Nishit Shah from Ambika Fincorp. Please go ahead.

Nishit Shah: From 44.93 crores the inventory has moved up to 93.38 crores, so is this inventory a fresh inventory or does it also include some carryover of toys inventory that is unsold and which you will have to mark it down?

Arvind Kajaria: Firstly, inventory consists of three parts, first goods in transit on the way to the warehouse which means from the supplier's factory to our warehouse. Second goods that are at the warehouse itself and third it also includes items on the way to customers from our warehouse but those which have not yet been delivered. There has been an increase in the first and second



part that is goods in transit and the warehouse inventory itself. As we have indicated that there has been a built up of for inventory for the January-March quarter as we anticipate a higher growth for January-March than normal. The numbers Mohit will kindly share please.

Mohit Kumar Jha: We have approximately 2.1 million of toys inventory as on 31st December 2017 and out of which 0.8 million is the fresh purchase.

Nishit Shah: The fresh purchase after the holiday season for the Jan-Feb?

Arvind Kajaria: How much is the old inventory Mohit?

Mohit Kumar Jha: In INR terms?

Arvind Kajaria: Yeah. We said 2.1 million.

Nishit Shah: \$2.1 million?

Arvind Kajaria: Yes, as on December 31st out of which \$800,000 is fresh purchase for the Jan to March quarter.

Nishit Shah: So , basically the old inventory is \$1.3 million, we translate into Indian rupees it is about Rs. 8.25 crores.

Arvind Kajaria: Correct.

Nishit Shah: But Mr. Kajaria do you expect on these 8 crores of inventory which Rs. 93.38 crores so it is about 8%. Now on these do you expect any write-downs to happen?

Arvind Kajaria: No, we don't expect any write-downs. We do believe that while it has caused us some short-term pain but we do believe this is a very positive long-term phenomenon because more and more buyers were enticed to come and shop online rather than off-line. So it might take us some time.

Nishit Shah: There is a very negligible old inventory that you're carrying?

Arvind Kajaria: Yes and anyways we are turning all the other inventory at 18x which means we never had more than average of 20 days in stock.

Nishit Shah: Even this old inventory you expect it to be moving out by March?

Arvind Kajaria: Yes.

Nishit Shah: My next question is, you have an inventory turnover of 18x which means you have an average inventory of 20 days?

Arvind Kajaria: Correct.



Nishit Shah: Looking at this high inventory you seem to be really looking at a very high growth January-March, not the traditional 30% that you have been talking about, so how do I read that?

Arvind Kajaria: As I mentioned earlier we believe our engine and our software and our delivery systems are all set. We have a good momentum. We have a good relationship with our vendors and I don't see any headwinds, so we are working very hard to ensure that we can beat the previous growth numbers. In the calculations you mentioned, you are absolutely right except that you have to reduce the items on the way to customers but is not yet delivered which is because that really doesn't form the part of inventory turns.

Nishit Shah: Even if I knock-off some percentage on that account it will be substantially higher growth numbers than what we have achieved in the last 4 or 6 quarters, isn't it?

Arvind Kajaria: Yes, as I have mentioned in the last part of my speech as well as the press release, we are very confident of achieving higher numbers and we don't see any impediments to grow that this time.

Nishit Shah: My question is you had guided that your yearly guidance of more than 30% growth; basically what you had stated was that you should be able to do better growth than the growth that you had achieved last year. That was fighting 31% or 32%, so do you still think that with the catch of that you're going to do in January-March you should be able to achieve your yearly guidance?

Arvind Kajaria: We lost some top-line as far as this toys category was concerned but at the same time some other categories have performed really well. As of this time my personal belief is that we are on track to hit those numbers that I had mentioned earlier.

Nishit Shah: If you do that then that's taking the company to a different league.

Arvind Kajaria: We shall certainly try.

Moderator: The next question is from the line of Shikha Mehta from Equitree. Please go ahead.

Shikha Mehta: I wanted to ask you if you could give me a breakup on the gross margin due to the disruption in the toys sector and adding new products.

Arvind Kajaria: I don't have that breakup with me right now. We will see if we can upload it in our next presentation. But since this was a one-off in our opinion, we stood fast in our overall presentation and I mentioned it as exception.

Shikha Mehta: As we go ahead we'll be adding more products as, so what would be a sustainable margin for us because the margin would drop likely we add a new product?



Arvind Kajaria: The way we look at our business is that well of course new products tend to reduce the margins in the next few quarters. But there are also products that are maturing and entering the margins stage. So cumulatively the margins that you have been seeing is what the margins we are working on. We believe that historically if the margins that we have been getting we will also try to get that in the future.

Shikha Mehta: If you would have a figure on a sustainable margin?

Arvind Kajaria: I don't have that with me right now. As I mentioned earlier to you, our whole principle, our focus is to grow the top-line because that is what all retailers do because we become more and more valuable to our suppliers and become their online partners of choice which helps us get a better purchase price and we become that much more economically important to our supplier. So while we grow the top line and we do that through internal accruals you will see a growth in absolute EBITDA. Once you see that then that should add to the shareholder returns. From that perspective margins become not that important in our business. That said we will continue to maintain historic margins.

Moderator: The next question is from the line of Amit Agarwal, who is an individual investor. Please go ahead.

Amit Agarwal: What is the status of our greeting card business? How badly it's affecting our profitability of consolidated figures?

Arvind Kajaria: Greeting cards represent now less than 1% of our business. It's something that is going on well. It doesn't impact the margins and we are continuously looking at ways to grow that business. But yes, it is challenging because it's not the flavor of the day and also because of competition from other forms of communication. But as far as our financials are concerned, it does not impact the margin. So margins are very similar to what we experience on an overall business perspective.

Amit Agarwal: But all our standalone business is to always show losses like 3 or 4 crores, is that because of the greeting card business or it's because of some other reason?

Arvind Kajaria: The reason is that the revenues are booked overall in the US subsidiary and our backend is in India where the expenses plus the holding company costs are booked which is why we ask you to see our consolidated numbers.

Amit Agarwal: That has nothing to do with the greeting card business as such?

Arvind Kajaria: No. I have just explained that; because revenues are booked in the US subsidiary because almost all our revenues comes from the US and expenses are booked in the Indian subsidiaries. That's why I can only request you to look at it from a consolidated basis.

Moderator: The next question is from the line of Nishit Rathi from CWC Advisors. Please go ahead.



Nishit Rathi: What was the opening inventory breakup previously what you did for the closing inventory for 93 crores figure that you gave for Q2 September and inventory for 84 crores between toys and others?

Arvind Kajaria: I don't have that breakup in front of me right now Mr. Nishit. But we will be happy to share that in the next upload of the presentation. But normally it would represent the same percentage, if you see our investor presentation, you have a percentage of sales of the toys and a little above that couple of percentage points above that because normally toys is the main category during the holiday season. But fortunately, when we heard of the bankruptcy we immediately stopped all purchases for this particular category, so we did not build up a substantial inventory. But the number that you are asking I don't have that in front of me right now.

Nishit Rathi: The point that I'm trying to understand is your asset turn on the non-toy inventory would have been equal to or better than last quarter is what I'm trying to understand if that would be the case or no, the stock inventory point.

Arvind Kajaria: But only marginally. You should look at 18x as a consolidated figure and that is what I can request you to do because that encompasses all the ups and downs that any category has or whatever SKUs we may have had. That's the cumulative total of everything that happened in the business in the quarter and that's the best way to look at our business.

Nishit Rathi: Is there an inventory write-off policy that we have right now?

Arvind Kajaria: We have not needed to have that policy because our forecasting engine is such that we are able to buy only things that sell from the warehouse, anything that we are unsure of we don't take inventory. So we don't have that as of right now. If you understand the turnover ratio which means that we turn our inventory every 20 days.

Nishit Rathi: In terms of inventory outstanding for more than six months, what would that number be in your 94 crores?

Arvind Kajaria: I don't again have that number in front of me. But I can tell you it will be a very marginal number and I will ask my team to look into it and form some kind of a number for you the next time we communicate.

Nikhil Chinukar: It will be also very helpful for all of us to understand because we always believe that you guys also mentioned it in the past that the investment that you have made in putting up a new category is like a CAPEX for the company which gives you growth in the future.

Arvind Kajaria: Correct.

Nikhil Chinukar: So if we look at it that way it will be great if you could also help us understand or some sense as to what that number would be around, the investment that we need to put on new categories.



If at all there is some understanding you could give in terms of the quantum of that number, it will be helpful in two ways because it will also help us understand the true gross margins and also what is the CAPEX impact.

Arvind Kajaria: I will ask my team to look into it and hopefully by the next time we communicate we will be able to offer you some more insight into that.

Nikhil Chinukar: Would we have also received some kind of benefit that comes during the end of the year when we hit the target and stuff like that?

Arvind Kajaria: It's called a volume incentive rebate. Yes, we do receive that and that has been factored in the COGS.

Moderator: The next question is from the line of Nihil Parekh from Dhanki Securities. Please go ahead.

Kaushal: My question was that would you be able to share with us the percentage of we fulfilled by Amazon and drop-ship for the nine months of this year?

Arvind Kajaria: Generally, the stock only those products that catch the attention of our forecasting engines in terms of moment where we have clear visibility of exactly (+/-5%) of the products that is going to be sold in the next quarter. It is called a drop-ship, I don't have that exact figure, but we would think it would be around 50-50.

Kaushal: And would you say that we are moving towards that fulfilled by Amazon model gradually because in terms of inventory forecasting, etc., would that be an area where we are slowly tilting towards the Amazon thing and slowly that drop-ship model will probably be lower and lower percentage of our business?

Arvind Kajaria: While you are right, but I would not like to look at it this way, the way you mentioned. The way to look at it is that now most of the members in the US who shop are prime members and prime members are eligible for same day shipping and they are kind of got used to it. So if you don't have a very accurate forecasting system something that we are proud to have and something which most of our competitors don't have then you are forced to rely on the drop-ship model. And the moment you are adhering only to the drop-ship model then the fast-moving goods come out of the purview of your sales which means that today if we did not have the forecasting engine which if you see I have repeated so many a times then probably our sales would have been much-much lower than what it is today. The drop-ship is only good for items which have infrequent sales or inconsistent sales, and which are not really subject to inventory.

Moderator: Thank you. As there are no further questions I would like to hand back to Mr. Arvind Kajaria for closing comments.



Arvind Kajaria:

Thank you gentlemen for your insights. It's a pleasure to have you communicate on a quarterly basis. We have taken all your inputs and tried our level best to increase our communication as we move forward. Thank you for your time and we will continue to build the business with your guidance. Thank you very much. Have a great day.

Moderator:

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