IntraSoft Technologies Limited

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February 9, 2016

Listing Department
National Stock Exchange of India Ltd
Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051

Corporate Relationship Department
BSE Limited
P. J. Towers, Dalal Street
Fort
Mumbai - 400 001

Scrip Code: ISFT / 533181

Dear Sir,

Sub: Transcript of conference call

With reference to captioned subject, attached herewith the transcript of conference call arranged by the Company on February 4, 2016 to discuss the financial performance of the Company for the quarter and nine months ended December 31, 2015.

This is for your information and records.

Thanking you,

Yours faithfully
For IntraSoft Technologies Limited

Rakesh Dhanuka
Company Secretary & Compliance Officer

INTRASOFT TECHNOLOGIES LIMITED

"IntraSoft Technologies Limited Q3 FY-16 Earnings Conference Call"

February 04, 2016

MANAGEMENT: MR. ARVIND KAJARIA-MANAGING DIRECTOR, INTRASOFT TECHNOLOGIES LIMITED

MR. MOHIT KUMAR JHA-CHIEF FINANCIAL OFFICER, INTRASOFT TECHNOLOGIES LIMITED

Moderator: Ladies and gentlemen good day and welcome to the Q3 FY16 Earnings Conference Call of IntraSoft Technologies Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Arvind Kajaria- Managing Director, IntraSoft Technologies Limited. Thank you and over to you sir.

Arvind Kajaria: Thank you Margaret. Dear all, I welcome everybody to the Q3 FY16 earnings call for our company, IntraSoft Technologies Limited and I am joined by my colleague Mr. Mohit Kumar Jha- Chief Financial Officer and SGA, our Investor Relation Advisors. We have uploaded on the website www.itlindia.com, the business update presentation, the press release and a document on FAQ. I hope all of you received it and would have had a chance to go through it.

It was the shopping quarter in the US and with our presence on multiple online platforms, we benefited from the online shopping momentum that is currently on in the US. Lots of positives were witnessed which reinforces our belief in our capabilities, systems, processes and the model as a whole. We reported record sales of over $4.4 million from Thanksgiving to Cyber Monday at 122% increase over last year. Thanksgiving sales were up 144%, Black Friday sales were up 124% and Cyber Monday broke all records with the highest sales in a single day with 120% up year on year. 123stores sold more than 85,000 units during the five-day period as compared to approximately 32,000 units last year, a growth of 160% year on year. The quarter also saw the system develop a high level of maturity as it passed the stress test of the holiday season. This gives further confidence as we embark on a journey of continuous growth.

On the corporate front we are pleased to share that we've appointed M/s. Walker Chandiok & Co. LLP Chartered Accountants as statutory auditors of the company to fill the casual vacancy caused by the resignation of M/s K. N. Gutgutia & Co., Chartered Accountants. We believe that Walker Chandiok & company will add value in adapting to international accounting standards and the financial reporting as the company mainly operates in the global market through its subsidiaries. We are also pleased to report that our subsidiary 123stores has appointed Grant Thornton as its statutory auditors.

I shall now begin with the brief on our financial performance. For Q3 FY16, we reported a consolidated income of 258.54 crores up 111% year on year. Profit after tax was recorded at Rs. 5.17 crores up 25% year on year. For nine months FY16 our consolidated income was up 119% to 530.80 crores and profit after tax was 8.06 crores up 36%. On trailing 12 months' basis, our total income stood at 632.08 crores. We continue to maintain the sales momentum driven by large opportunities available in the US e-commerce market and the increasing need of 3P sellers such as us. E-commerce revenues increased to 252.65 crores, this growth was across all product categories including furniture, patio, lawn and garden which continue to be the largest categories. Our top categories are furniture, patio, lawn and garden with 28% share, musical instruments and gadgets with 21% share, toys, games and baby products with 17%

share, home improvement and art crafts with 12% share, kitchen and dining and appliances with 10% and sports and outdoor with 7% share. The number of orders we shipped grew from 285,270 last year to 767,186 a growth of 169%. This is the highest order shipment in our history. Our proprietary technology platform allows us to scale orders and achieves volumes with minimal human intervention enabling cost savings as we continue to grow the volumes. As the sales momentum continues to improve we are continuing to see an improvement in gross margins for existing products and suppliers, evidence in our margin improvement from 18.0% in Q2 FY16 to 19.3% in Q3 FY16.

We have also expanded our product catalogue; we are now partnering with over 1500 brands and selling more than 310,000 unique products through whereas market places. As of December 31st 2015 inventory at our warehouse was 42.33 crores, largely consisting of fast moving items. Our greetings business continues to see increased mobile usage with 4.46 lakh cards being sent in Q3 FY16, downloads reached 9.10 lakh as on December 31st 2015. The e-greetings business contributed 5.89 crores to the revenues. With this I leave the floor open for Q&A. Thank you for your time.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Sanjay Shah from KSA Securities. Please go ahead.

Sanjay Shah: I have few questions, one regarding the sales what we achieved the spike what we got in US market in this quarter was more of a growth in the sales in the US market or we could garner market share in that business that is number one? My number two question was in last year Q4, we had a 10% revenue fall from Q3, Q3 being a seasonal business so what you expect in current year Q4, it will be the same trend continue or how do you expect it?

Arvind Kajaria: I will answer the first question, I think the online industry or the business is anyway continuing to go up but the share of 123 stores is continuously going and probably faster than what the rate of growth for the online industry is and the reason why we are able to achieve that growth is through a better use and coordination of our technology which ensures better quality fulfillment, a happier customer base who come back for repeat orders etc. Also our deep relationship with vendors gives us better term, gives us better pricing which we are able to sell at more competitive prices and thereby increase volumes and I see this on an ongoing basis happening more and more as we continue to happily fulfill all the orders. On your second question I think the first quarter the Q4 as you mentioned, the highest quarter of sales is Q3 because mainly it includes the holiday season which includes the Halloween which includes Thanksgiving and Christmas which is a traditional shopping holiday and a shopping period for the US consumers. There would be a similar fall every year on the next quarter but the rate of fall quarter varies depending on how we are doing. I hope that we see the momentum continued so the pro-rata fall would probably on the same lines as was last year as you pointed out.

Sanjay Shah: Coming to our profit margin our EBITDA margin we don't see much improvement, Q-on-Q yes, we have done well but year-on-year we have not done so well. How you attribute that because our product and content development has gone up from 76% to 79%, can you throw some light on that?

Arvind Kajaria: We need to make investments if we have to grow in terms of infrastructure, people etc. What I mean by that if you are adding more and more suppliers, more and more brands to the queue then we need to invest into people who reach out to them and get them on board and have the people increase to do listing of their products and fulfillment etc. Now that investment needs to be made now so if we make the investments now then only will you get growth in the quarters to come. While I think the margins are pretty intact is what you see in expenditure as an investment is incurred during the current quarter which will continue to yield more and more revenue and profit in the future quarters and this is evidenced by if you see last year financials, it was pretty much same thing where I feel we made lot of free cash flow which we reinvested back into the business which has got the kind of stupendous growth that you have seen in the past quarter.

Sanjay Shah: Appreciate your sales and marketing expenditure as you explained but can you explain in detail what is this product and content, how this works actually?

Arvind Kajaria: Product and content basically includes the purchase price including shipping of all the products that we buy and sell. So whenever we buy something from a vendor it gets added on to this account. That is why this would always be in consistent with the sales number. So if the sales number goes up then this would correspondingly go up because they would have to pay for the items that we have sold.

Sanjay Shah: Purchase price and shipping that is a product and content, if it goes up then we should assume that we offer discount for sale of that product in the portal?

Arvind Kajaria: If you buy something at Rs.100 and you are selling at Rs.150 then both the numbers would go up if the sales price was to go up to 300 then that would also go up to 200 that is exactly what is happening as far as product and content development goes. The sales and marketing these expenses is in the below line which will also go up because we need to spend on market as fees is in order to affect the sales.

Moderator: The next question is from the line of Mohit Jain from Anand Rathi. Please go ahead.

Mohit Jain: First is on your revenue momentum in terms of average realizations falling continuously over last few quarters, so if you could help us understand where should we expect this to stabilize? Second is that wouldn't it be better for us if we keep realizations little on the higher side and then focus on volumes?

Arvind Kajaria: I tried to answer that question a little earlier. It's a question of between achieving market share, top line growth or having a highest possible margin. Now if we continue to focus predominantly only on margins then we would be priced out and you would not see this kind of a growth and a problem with the opportunity is that the more you grow your discounts offered by shipping carriers, your importance to vendors, your importance to the marketplace this would continuously fall. On the other side as we grow we make them dependent on our business as we become their preferred online partner because all our vendors have seen a phenomenal sales increase in their business. So they like 123 stores and that is the relationship we believe that if we build will see pay rich dividends over the number of years. So we feel that instead of couple of percentage points increase in margins at this stage it is better to invest it into these relationships and get higher volumes and keep up price competitive rather than the other way round. Was that something that you are looking for the answer?

Mohit Jain: Partly I was also looking at your mix is that is changing so for example this quarter while furniture is more or less stagnant, musical instrument has fallen compared to the last quarter.

Arvind Kajaria: That would be, you should look at it Mohit on a longer basis like annualized basis because sometimes what happens in the winter season some things tend to sell more or something tend to sell less.

Mohit Jain: While toys have gone up significantly.

Arvind Kajaria: Toys predominantly because it's a very gift related item is during the holiday. Most parents purchase toys once a year or predominantly during this Christmas season so it's a great Christmas gift to the children. So you will always see a bump up in toys in the Q3.

Mohit Jain: In terms of average pricing now should we expect this fall to continue like at the pace at which it’s currently happening or do you think it will be moderate a little?

Arvind Kajaria: Which fall?

Mohit Jain: The average realization is $50 per order shipped.

Arvind Kajaria: The way to look at it is that the moment there are lower value items like toys this would go up and in the next quarter if we focus on furniture which, it’s the market because of the winter season, the spring weather comes in, people are making their homes new way so they are going to buy more furniture you will see this number automatically go up. So it's not that we are selling at a higher or lower price which is determining the average cost but more the product mix and the way 123 is positioned itself is rather than focusing on a product or a category, we are more focused on our relationship with vendors. As we support them more and in turn we get support we would continue to drive sales irrespective of whether it is $100 item or a $50 item.

Mohit Jain: Second is on the sequential fall in the fourth quarter that you just mentioned while your inventory balance looks high given that we are at the end of the holiday season.

Arvind Kajaria: You need to understand this if we don't keep at least that much inventory then the January to March quarter would suffer. If there is no stock at the end of December, then there would be no sales in the first 10 days of January. What I'm saying is this number would grow in tandem with the top line, if you continuously want a higher top-line, then you will see a higher number there because one of the things that we suffer from is if there is no inventory then there are no sales as well. You cannot participate in the promotions and we lose that complete value.

Mohit Jain: Can you just remind us what was that number in 3Q '15 or last year?

Arvind Kajaria: Mohit will you just look at the last press release and we will come back to that.

Mohit Jain: Lastly on the EBITDA margin for the fourth quarter. So should we expect some moment and given that last time you were at much higher margin in 3Q '15 so should we expect that the pace at which margin deteriorated in 4Q should be little slower given that the fixed cost buildup is already in the P&L?

Arvind Kajaria: No, our stated policy is that right now we are in the phase of investment. We have a large momentum on our side, the vendors are performing very well, the marketplace is appreciating our model and our business as well, we will continue to use free cash flows at the cost of margins to see that we buildup higher and higher share of the business which we think is very important. One of the risk that we see is if we do not become large enough we stand a risk of being marginalized and we definitely don't want to do that you will not see a dramatic fall but you will also not see a dramatic rise even though you will see a hopefully a rise in the top line.

Mohit Jain: I understood what you are saying is that possible it may not turn negative like it did last time?

Arvind Kajaria: Right.

Moderator: The next question is from the line of Satish Bhatt from Anvil Stock Broking. Please go ahead.

Satish Bhatt: You said you want to become big otherwise you will become marginalized. Amazon reports $100 billion sales per year and even if you want to have 1% of Amazon, we will reach $1 billion sales and I think in the next 4-5 years Amazon maybe 160-170 billion so where do you see us in terms of, your meaning of marginalized means does you think you have to reach a size of $2 billion then you will say okay we have a good size, now we can think of keeping some margins or something like that? What does marginalizing stand for you?

Arvind Kajaria: Marginalization stands for us is being the preferred online partner for all the vendors that we worked with irrespective of what the top line is which anyway I think will be continuously growing. It's very important for us is that if any vendor or any brand owner has two or three online partner is that eventually we become the top two for them. In that case we get the best volume discounts and we get all the latest innovations, products, promotions so when I say marginalize is that when you stop focusing on growth and you stop only focusing on profitability then the market is still too nascent to give you both volumes and pricing at this time. I see this market maturing anywhere between 2 to 2.5 years where these relationships is will be better entrenched and the marginal players would have either left the industry or the relationships would have been built at which time then you would see not so much of a growth in top-line but a better growth in the bottom line.

Satish Bhatt: For you it will be sales of around $1 billion?

Arvind Kajaria: We certainly hope so but it's very difficult to ascertain whether it's billion or even more or less but the way we are seeing it is that at least a bulk of our vendors we are approaching that situation where we are in the top two or three of their preferred online sellers and that is what gives us lots of satisfaction and the confidence that is the right strategy to follow.

Satish Bhatt: Maybe in 3 to 4 years you should reach a size of $1 billion?

Arvind Kajaria: I hope that you are absolutely right; we will certainly try for it.

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

Nishit Shah: Actually Satish did ask correct question that I had in mind on the size because US market if you look at the top is 500 e-retailers list and all, I think you feature in somewhere around 368 and you also feature in the top 10 fastest-growing retailers, am I right Mr. Kajaria?

Arvind Kajaria: Yes sir you are right, we are 392 and the 13 fastest.

Nishit Shah: If you keep growing at 100% rate I think you would inch up by almost at least 100 position in that top retailers list, isn't it?

Arvind Kajaria: We hope so sir.

Nishit Shah: Because last time when I saw the list around $110 million odd was somewhere around 258th position. But when you go beyond that there is a severe competition because you have a lot of big names in that retailers list. So what I'm saying is maybe you can scale up to $200 million-$250 million then how do you expect to ramp up further because then the competition really hits up substantially?

Arvind Kajaria: In our view and day-to-day working I would like to tell you that the market is pretty large and we are not even close to having 1% or 2% share of the market size. I think the key that one needs to keep in focus is the fact that you are able to supply the goods and keep the fulfillment engine on a regular basis. The differentiating factor would be the ability to keep the customer happy and on the kind of impressive 98% ratings that we have. If we continue to do that that keeps our brand owners motivated to keep working with us and once we do that then gradually we have access to all the premium products and the marketplaces give weightage to the fact that we are bringing in more and more products into the fold. So it's a very unique business model that we have and the key is the fact that we are able to keep on fulfilling it at an efficient price and efficient rate. I think our team is very focused on doing that, we can't come back and tell you whether we will hit 1 billion or 2 billion or XYZ but what we can tell you is that we are trying our best and it's our focus to make sure that our delivery times, our delivery speed and the entire gamut of customer focus remains the highest because we feel that's the key to any percentage of growth either now or later.

Nishit Shah: I mean you hit some points that I had in mind but what I was trying to get it is the customer satisfaction, delighting the vendors and your customers is the bare essential in the highly competitive market like USA. But what I was trying to refer to was that beyond $250 million which I have no doubt you will get through in a 1-1.5 years' time. You will need more management band, you will need more things to do in US and all of that to attract the kind of talent that you will need to grow from there. So in that direction what are the kind of initiatives that the company is taking right now?

Arvind Kajaria: You are absolutely right, we feel that one of the key factors of growth would be a very high level management team that is also one of our key focus is now that we have achieved a minimum threshold limit so we will continue to induct people from e-retailer or retail background with experience. We will continue to scale people at the technology level which ensures that our software works in the best possible way. We are also inducting lot of people at the purchase level with a history and a background of retail. I can only agree with you that the company is as good as is team and much of my personal focus has remained and will continue to remain on building the best possibility in both in the US and in the back-ended center in Kolkata.

Nishit Shah: Would that also impact margins a little bit or you expect the margins to be where they are or improve little bit or deteriorate, how do you expect the margins to behave?

Arvind Kajaria: I tried to explain that a little earlier while we continue to remain quite profitable at transaction level which means the difference between the buying and selling from that cash flow we choose to invest into people, into infrastructure, into system so a portion of that would definitely go into hiring people now. Hiring people in our views is investment because without the people we cannot get the kind of growth that we are potentially able to get so every quarter the same question will be asked and my answer will be pretty repetitive that we do see a momentum in the business, a portion of the free cash flows will be used to hire a much better quality people so you may not see the bottom line going absolute tandem with the top-line initially but once and I mentioned that figure as about 2 to 2.5 years. We believe that once that threshold limit is been reached and crossed then I think you should be able to see a corresponding in bottom line. To answer your question yes, there would be some difference between growth in top-line and bottom-line.

Nishit Shah: In your view what is the threshold that you are looking at 500 million or somewhere thereabout?

Arvind Kajaria: That depends on how many is more marketplaces and how many more vendors that we feel that we want to sign on. If you keep recreating the S-curves let us say if we stop at 5000 vendors then you can see the bottom-line increasing once you stop. But if at 5000 we find that the market is accepting our model gracefully and the opportunity is within 15000 and my investors are kind to support me in that growth then you would see an extended period of that. But the current mindset that we have is around 5000 to 6000 vendors is where we feel that we have to show some improvement in both the numbers.

Nishit Shah: And you are currently at 1500?

Arvind Kajaria: Currently we are at about 1500.

Nishit Shah: So four times, 4X that's what you're looking at so I was extrapolating it in terms of revenue that will be probably 110 so 450-500 million is a special that you are looking at. Would you like to give some color on the kind of talent that you've hired, management bandwidth that you have increased in sales, marketing that maybe you can share with us?

Arvind Kajaria: Mainly the business is focused on technology and relationship with vendors and relationship with marketplaces and somebody to fulfill all of that. More or less all of these departments have got a very seasoned professional with at least four years background into this heading each of this function. Below them we are creating a completely de-risk HR model where you have at least three layers of people at least having some idea on exactly what the business is. So if we have to move anybody out, elevate or if anybody leaves then the business per se has very minimalistic impact. Short of that we would be hiring a lot of people on these areas like risk management, in areas on cyber security all of that so that may not immediately give returns but at our levels now I think those areas of investment need to be maintained.

Nishit Shah: On the gross margin front you did well in this quarter at 19.25%, where would you want that to settle at around 20%-21% would you be comfortable at gross margin level or you think that can be improved little more?

Arvind Kajaria: The answer to that again is what is the kind of growth we are looking for, the higher the growth lower will be that figure because in directly to means that we are not pricing our products in the absolute premium level and we are preferring to sell it at a competitive rate, we are keeping the volumes growth in mind. It also comes with lot of additional long-term benefits like shipping contracts, a logistics carrier or any logistic carrier for that matter prefer clients who offer a large volume to them. So the threshold limit of all of that is 3x to 4x that you discussed.

Nishit Shah: Scale will bring down the cost and it will improve little bit on margins rather than the pricing that's what you are indicating.

Arvind Kajaria: I think there is an opportunity to both but we are little away from all of those but we are certainly on the right track and the momentum continues to be with us as it's very clear with the results. If you see correspondingly there is an inching up of margins as well.

Moderator: The next question is from the line of Amit Agarwal from Leeway Investments. Please go ahead.

Amit Agarwal: Do you plan to take more debt on the books in the next 12 months?

Arvind Kajaria: Yes if we can get the debt at a reasonable price and it helps us grow then definitely we are open to that. We are in touch with few bankers and as and when that opportunity allows of course it has to be a very low-cost debt which will help us grow the business.

Amit Agarwal: Is there anything on the pipeline right now?

Arvind Kajaria: We are working with people, we are working with bankers. But it's a series of interviews and questions and we will only take it if we get it at our price and we feel that it is going to add value. As such we don't need survival money so it has to be money that will help us grow into the top-line or the bottom line.

Amit Agarwal: Who are your biggest competitors?

Arvind Kajaria: There are number of 3P Sellers across the US and I can't say the names because I can't vouch for their business model. The only listed company that I know off which follows somewhat of a similar model is a company called Wayfair.com which maybe on a track, a large number of smaller unlisted players who are in our space per se.

Amit Agarwal: Is there a sheer slowdown in American market, do you think it will affect your business in the future?

Arvind Kajaria: Absolutely we cannot work independent of any economy especially in the retail business.

Amit Agarwal: Do you think in next two or three years as markets like Germany and UK, you can easily shift your business model there also?

Arvind Kajaria: Yes that opportunity certainly exists but I mentioned it earlier and I repeat myself currently our belief is that we have spent so much time, efforts and investments in the US market. I think we finally got a grip on what's happening there. So we would like to attain somewhat our leadership position, somewhat of a top line that makes us more profitable that we are, before scarce our resources and more to the other markets because the moment you move to the other markets you would need to make similar investments which will again impact margins, etc. So while the growth is there and we are getting our share of the growth we are not very open to moving to the other markets just as yet. But after 3-4 years when we achieve that and somewhat stagnation in our space we can certainly look forward to opening of the Europe and another market.

Amit Agarwal: Do you plan to go in other categories like fashion, cosmetics?

Arvind Kajaria: Yes, so our decision to do that would also be a relationship so as we meet and see what kind of vendors are available in that space, their products, the acceptability of the products we would welcome going into those newer categories. That's one of the things that we will certainly look at as we move around the quarters.

Moderator: The next question is from the line of Tushar Jiwani, he is an individual investor. Please go ahead.

Tushar Jiwani: I have gone through your website 123greetings.com and 123stores.com and I have compared it with your competitors in US you had just mentioned, also with Indian websites for example housing.com. 99acres.com, magicbricks.com. I think that your website appears a bit cluttered so maybe if you can work towards improving the web design, although maybe a small portion of your revenues which comes from that 123stores.com. I also wanted to ask if you have any mobile app for your 123stores.com?

Arvind Kajaria: Thank you for giving me your observation. I will certainly point it out to the design team. I think for the time being in their opinion that it's a very functional design and it works gets the job done. But I will certainly pass on your very good recommendations to the team.

Tushar Jiwani: What about mobile application, do you have mobile app?

Arvind Kajaria: Yes we have a mobile app for the greetings. I think the mobile app is something that you will look at in the future because most of our business is actually if you read our business presentation comes by our shopping shop format with the marketplaces. So you can buy products, fulfill by 123stores even now through the various mobile apps as well as devices across all the platforms that we work with.

Tushar Jiwani: I also want to add about the addition of SKUs, you mentioned that it is something like 10,000 per month so has it not slowed down because earlier in some of the presentations I saw that it was 20,000 per month now it is 10,000 in the current presentation.

Arvind Kajaria: It has not slowed down, what happens is in the Q3 we are more focused on sales because the market is more sales oriented and this momentum reverses itself from January where new business development is more the focus. So moving forward you will see that number go up and it will be consistent with what you read earlier. It's a quarter to quarter dislocation that's how.

Tushar Jiwani: I wanted to ask about the brand positioning of your 123stores.com, it has currently positioned maybe the large number of products at a cheaper rate. Generally various organizations which are projected high-quality wide range of products and best customer service and at a reasonable price rather than the cheapest than the lot. So maybe if you think that is a better position then what it is currently maybe you can think of adapting that as well.

Arvind Kajaria: As a philosophy we are not positioning ourselves discount retailers. I don't think so that is what we in any case intent to do. What we intent to do is to have a partner with 1500 brands and use multiple platform to sell their products and become experts on fulfillment whilst one of the platforms we also promote 123 stores.com.

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

Pankaj Kumar: My question pertains to the way of course we have vision to achieve higher scale and the segment of course 2-3 years maybe down the line. But in order to achieve that scale, are we planning to go for creating any assets like warehousing or something since we need to achieve the scale, are we looking at that side, any thought that you have?

Arvind Kajaria: I think the USP of our model is that we get these facilities on a pay per use basis and that's very efficient because we have integrated our technologies. We are able to communicate effectively via software through all the warehouses and the other logistics partners. So I don't envisage a need to invest in a warehouse. So unless there is a huge financial need or something that stops us from growing will we at all look at that kind of investments. So that's not a focused area, the focus area is to make sure that we continuously improve our fulfillment rate and we keep on increasing our platforms where we can sell and increase our market share.

Moderator: The next question is from the line of Manish Shah, he's an individual investor. Please go ahead.

Manish Shah: I have two questions, first is about fund raising. Are you planning to sell any equity shares in next 12 months?

Arvind Kajaria: One of the things that finance and money is always a value driver in the retail business. We would certainly need funds to grow larger and larger from here so at an opportune time we will look at raising money, yes.

Manish Shah: My second question is about your December quarter is generally very good, the best one in all four quarters, right?

Arvind Kajaria: Right.

Manish Shah: In fiscal FY14 and FY15, you have grown quarter-on-quarter more than 100%. This time it is just 68%, right?

Arvind Kajaria: If you would be kind enough to tell me where you are getting these numbers from then I could talk.

Manish Shah: Quarter-on-quarter in fiscal year '14, December quarter has 52, September was 27 and fiscal year '15 December quarter was 122 crores, September 60 crores and more than 100%, right?

Arvind Kajaria: Absolutely correct.

Manish Shah: This year it is 68% so in future can we expect 70% rate of growth or can we go back to 100%?

Arvind Kajaria: I have been trying to say for the last few minutes; I think the momentum is certainly there. I see no reason why we cannot maintain the growth rates. To get the growth you need to invest into getting new vendors on board, you need to make your systems more efficient, you need to increase your management bandwidth. And as we continue to do that from the free cash flows that we have I certainly see us keeping that momentum.

Moderator: The next question is from the line of Vijay Patel, he is an individual investor. Please go ahead.

Vijay Patel: I have one query on that 123store should be visible to all the buyers actually. From eBay site your store name is not reflecting that so could you please change that?

Arvind Kajaria: Yes that was an earlier name that we used to start. We are in touch with eBay; hopefully we should see that change in the next quarter.

Vijay Patel: Are you planning something for that 123stores.com that is your own website so are you going to increase any ratio whatever that contribution?

Arvind Kajaria: We do have decent amount of sales from our website. We are focused on increasing sales of 123stores. The only thing there is that that it's not the only focus we have so just like we focus on increasing sales on Amazon or eBay or the other partners that we have, similarly the focus on increasing sales of 123stores. So it needs to have certain vision, it needs to have certain resources, infrastructure and we are continuously working on that so moving forward I see not doing better or worse in consistent with the other marketplaces as well.

Vijay Patel: Question is that 123greetings do you have any URL or link to the 123stores.com also in that?

Arvind Kajaria: Yes there is a link right at the bottom which says stores.

Moderator: Ladies and gentlemen that was the last question. I would now like to hand the floor over to Mr. Arvind Kajaria for closing comment.

Arvind Kajaria: Gentlemen it was a pleasure to have you and thank you again for taking so much time out to hear our story and our Earnings Call. I wish you the very best and look forward to your continuous support and guidance. Thank you all.

Moderator: Thank you. On behalf of IntraSoft Technologies Limited., that concludes this conference. Thank you for joining us and you may now disconnect your lines.