



“Wall Street Finance Limited Q1 FY19 Results Conference Call”

August 23, 2018

**MANAGEMENT: MR. N. SRIKRISHNA – WHOLE TIME DIRECTOR AND
CHIEF EXECUTIVE OFFICER
MR. DIPESH DHAROD – CHIEF FINANCIAL OFFICER**

Moderator: Ladies and gentlemen, good day and welcome to the Wall Street Finance Limited Q1 FY19 Results Conference Call.

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

Material and information in this conference call is general background about the Company’s activities as at the date of this presentation. Information in this presentation, should not be considered as advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities and does not take into account your particular investment objectives, financial situation or needs. This information is given in summary form and does not purport to be complete.

I now hand the conference over to Mr. N. Srikrishna – Whole Time Director and Chief Executive Officer and Mr. Dipesh Dharod – Chief Financial Officer. Thank you and over to you Sir.

N. Srikrishna: Thank you. On behalf of Wall Street’s Management Team, this is Srikrishna here, the CEO and Whole Time Director. I would like to thank everyone for joining this conference call. As part of our investor engagement program we have initiated this conference call which will be a regular feature for interaction with our valued investors.

So, to start with, I will go through a small presentation about the company and its quarter one results. We have already uploaded the presentation in the company’s website, ww.wsfx.in. I will just start the presentation now.

So, a brief about Wall Street Finance, we are just telling what the current situation of the company is. It is company which is 32 years old. Currently we are totally concentrated in the FOREX business. We are an authorized dealer category II exchange house. We have a current network of around 22 branches pan-India, through which we offer foreign exchange services and outward remittance services. We cater to a range of customers, international travelers, overseas education, students who are going on overseas education, travel agents. We have a range of products, traveler cheques, prepaid FOREX cards, foreign currency notes and outward remittances services. We also provide facilitation of travel insurance.

We have tied up with major banks like Axis, HDFC, ICICI, YES Bank, even Thomas Cook for our prepaid cards. We have tie-ups with IndusInd Bank, YES Bank for our outward remittance product. And through these various tie-ups we have been providing a range of foreign exchange

services to our valued customers who are international travelers and who want to remit foreign exchange under LRS.

Now, I quickly cover some of the key highlights of our quarter one. One of the things post our divestment of our MTSS business, we have started totally focusing on our Forex business, there was a set of things which we looked on what should be the strategic direction and we looked at digital transformation as one of the key objectives to build an asset light organization, digital proposition. We concentrated on a few key aspects of the business besides revamping the FOREX team, bringing in people who have expertise in running the Forex business. We also looked at rebranding ourselves. So, one of the key initiatives we did was that we launched the refreshed corporate logo and brand. Now our brand name is WSFx - Wall Street Forex. This was something we did in line with young and vibrant company which is into the digital space.

Second major initiative was our digital platform. Besides having a network of branches in all major locations, we felt that digital is the key factor in our growth. So, we successfully launched two platforms, you can say in a way we are unique, we brought in our corporate platform for corporate houses and our agent platform. Besides building in these value propositions which will improve our revenues, we also looked at cost optimization measures. We did some rationalization of branches also, so in the last few quarters we have also closed down non-strategic branches and pure MTSS branches. So, in a nutshell, we did certain actions which will go a long way in building the company's path towards profit. We also showed significant increase in the turnover and revenue in the Q1.

Now, I quickly hand over to Mr. Dipesh Dharod – the CFO, to talk about the Q1 financial results.

Dipesh Dharod:

Good afternoon, everyone. With regards to the quarter one financials which is absolutely a FOREX company now, as Mr. Krishna mentioned, quarter-on-quarter, meaning previous quarter March to quarter June on the top-line we have grown about 18%, total revenue has grown to a similar extent. Our expenses over the last quarter have gone up but there are some factors to it. But all in all, on the EBITDA level last quarter we were about 23 lakhs negative vis-à-vis quarter June we are almost on a breakeven. The finance cost and depreciation are more or less on the constant and the total net profit or the total loss of the company for the current quarter is about 45 lakhs, which was about 86 lakhs in the previous quarter.

June 2017 quarter practically are not comparable with June 2018 quarter because June 2017 had MTSS business in it, since separate books of accounts were not maintained, so the segmental revenue are not identifiable. The company is growing on the top front and has been economizing in the cost aspect, so we can see a good second quarter here after.

With regards to quarter-on-quarter FOREX comparison, our first quarter for FOREX was October, November, December 2017, then we had the March quarter and the June quarter. So, if I compare the three quarters for you, on the net revenue or in the income from operations we were at Rs. 412 lakhs, we have grown to Rs. 459 lakhs and then grew to Rs. 565 lakhs, that is about 12% increase and about 19% increase over the previous quarter. All in all, the expenses have also come down. And as I mentioned to you, we are at a breakeven EBITDA and in future we would like to have a breakeven or a profit on the quarter front also.

Further, the figures mentioned in the PPT are not comparable or are not actual as per the published results, because these are the key items that are being picked from the published results.

With regards to our key segments, basically where the focus of the company is more on corporate segment and outward remittance segment in the leisure part, there the company has grown quarter-on-quarter. If we take the base as the December quarter, we have grown 14% on March quarter and about 27% on the June quarter. Similarly, remittance we have grown 15% on March quarter and 36% on June quarter. So, the focus is very clear from the company's end that these are the growing segments overall in the industry and your company is concentrated on these segments and to grow it further down.

With regards to other value propositions Mr. Krishna would like to give you a further brief on for corporate and digital portal.

N. Srikrishna:

Thank you, I just would like to sum this up with our digital proposition, because one of the key drivers of our accelerated business growth is our digital initiatives, as we have been remodeling ourselves in the digital space. So, I mentioned about our corporate digital platform and agent digital platform, which are going to be key drivers for the future. So, a corporate digital platform for which we have started acquiring clients is a one-off product where we automate the corporate FOREX ordering workflow. We will be doing end to end integration with the corporate and we expect substantial business to come from this corporate platform. Agent platform, again, is a unique proposition for our travel agent partners, which include travel agents, educational consultants, immigration consultants where they can give their leads, and we will fulfill their FOREX requirements. So, this provides a trust and transparent proposition for our agent, partners, where they get support for their pricing where there is a life time value of the customer for them also. So, these two major platforms are expected to be a good revenue driver which will support our focus on key segments of corporate, retail and remittance business. So, we expect this to take off in a substantial manner, besides the normal branch level business which we are doing. And these are key drivers of growth.

So, with this I would like to end the presentation. I would like to thank everyone. And now I would like to hand the conference over to the moderator.

Moderator: Thank you very much, sir. Ladies & gentlemen, we will now begin the question-and-answer session.

Anyone who wishes to ask a question may press “*” then “1” on your touch tone telephone. If you wish to remove yourself from question queue you may press “*” then “2” Participants are requested to use handsets while asking questions.

Ladies & gentlemen we will wait for a moment while the questions assemble.

Our first question is from the line of Pratik Bora, an individual investor. Please go ahead.

Pratik Bora: Sir, my first question is, if you can elaborate more on the business model of the company, like supposedly if a traveler walks into your branch and if he wants to buy US dollar, so how is the arrangement, is it a back to back arrangement that you then source the US dollar from the banks or financial institutions, like who carries the price risk in that case, so on those lines?

N. Srikrishna: Essentially you are talking of a person coming to my branch, normally foreign exchange is provided either in the form of currency, prepaid card or travelers cheque, travelers cheques are no longer relevant, so we will talk about currency and prepaid card. Generally, what happens is when you walk in we give you the pricing and normally the major currencies are available, we have inventory to an extent based on the daily demand and supply. So, we will be pricing the currency based on the card rates, based on your requirements we may give you attractive pricing. As far as card are concerned, in fact we give you the prepaid card and then we activate the cards. So, essentially for currency the cost is already there which we at the back end level manage or hedge it. But as far as prepaid cards is concerned, back to back we block the rates and we book our profits. So, when we do the transaction at that point we also cover our card exposure and book the profits.

Pratik Bora: So, sir, assuming that you have a certain amount of inventory on your books which is bought at supposedly \$1, Rs. 70. And tomorrow if the dollar devalues then in that case there is a FOREX loss which we will book, MTM?

Dipesh Dharod: Yes, that is basically a notional MTM, basically what you are talking. Now if you assume that the dollar rate falls and there are certain things in the market, it is a demand and supply theory that is there based on the rate.

N. Srikrishna: I understand what you are saying is there is an inventory where there can be a profit and loss. Obviously there can be profit or loss but the company also hedges the inventory, we have hedging policy which takes care of that.

Pratik Bora: Sir, basically, what is the incentive for a traveler to walk into your branch compared to other banks or financial institutions? Because I understand that you will be charging some commission to the traveler, that is how the business model operates, right?

N. Srikrishna: Ideally today the world has moved where no one is literally walking in to our branch. Today, if you are in a key location, people do walk in for an encashment, ideally you have a regular customer, you have a corporate customer where you have an arrangement on a particular pricing model and they ask us. So, the major incentive for a customer is the customer service which we provide, we provide competitive rates, banks deal with their own customer only whereas we provide our services to the general public, we provide attractive rates, we provide very good customer service and for institutional customers there is a special arrangement with them where we take care. Our services are available for institutional customers on holidays also which is a key differentiation, customer care is a key differentiation. Now with the digital platform coming in, with regard to corporate and agent platform, over a period we will launch our B2C platform it will be available mobile phone itself we can order our services.

Pratik Bora: Sir as of now, I mean, if you could share the total number of corporate clients which are on board with us?

Dipesh Dharod: The digital platform you mention?

Pratik Bora: Yes, digital platform or otherwise also, the corporate clients.

Dipesh Dharod: There is a sizable number of corporate which are there which are working with the company closely and these are confidential.

Pratik Bora: Sir, one last question, regarding the sales proceeds of around Rs. 47 crores on the stake sale which we did last year, if you could please explain the use of proceeds till date, like how is the cash portfolio, I understand out of Rs. 47 crores there was some portion which went to the dividend payment, I think that was around Rs. 5 crores – Rs. 6 crores, right?

Dipesh Dharod: Right, approximately I will tell you, Rs. 47 crores was the cash flow perspective, Rs. 6 crores we spent towards the dividend, there were some payments towards the loans, some term loans, ICDs that had happened, few taxes were paid and the balance fund is in the form of FD in the bank, for which we are seeing some investment opportunities, as and when it comes our investors will be put in place, the board will decide upon it and then the normal procedure will take place for that.

Pratik Bora: The cash on books as of March 2018 of around Rs. 29 crores is free-cash, right, there is no **loan** or **encumbrance** on that?

Dipesh Dharod: Yes, in this partly is the FD portion and partly is the normal bank balances that the company carries in its current account.

- Pratik Bora:** So, there is no charge on this cash?
- Dipesh Dharod:** It is in FD form, so we earn interest on it.
- Moderator:** Thank you. Our next question is from the line of Imran Contractor from Quantum Investments. Please go ahead.
- Imran Contractor:** Just to take the cash question ahead, what is the cash currently in our balance sheet as of June?
- Dipesh Dharod:** As of June the current would be approximately Rs. 29.5 crores or round about Rs. 30 crores.
- Imran Contractor:** And correspondingly as of March we had some liabilities of Rs. 15 crores, as on March balance sheet?
- Dipesh Dharod:** Absolutely correct.
- Imran Contractor:** So, currently what is that liability, is there any liability.
- Dipesh Dharod:** It would be a material change, it would be about Rs. 16.5 crores.
- Imran Contractor:** So, these are continuous business liability which keeps on going up and down?
- Dipesh Dharod:** Absolutely.
- Imran Contractor:** Another thing, in your June 2018 results we have employee cost of Rs. 268 lakhs compared to Rs. 180 lakhs as of March 2018. Now, is this a recurring number or is there any one off or what is the...
- Dipesh Dharod:** It is a one off thing, of course the June numbers are for the current FOREX period, even the March numbers are of FOREX period. In the March quarter, because of MTSS being sold there were some reversals of excess provision that had happened in the books. So, there were reversals and there were some capitalization of cost, both put together about 8% of the cost had gone into capitalization and reversals. So, you find a dip there and this thing back. Probably in the next few quarters you may see some rationalization of the branches happening and the cost may come down to some extent also further.
- Imran Contractor:** Rs. 268 lakhs is a little bit higher, but it would be Rs. 240 lakhs or somewhere around near that?
- Dipesh Dharod:** Yes, I am not able to comment the figures perfectly but should be about Rs. 250 lakhs in that range.
- Imran Contractor:** Now, another thing is, can you just elucidate like what you mean by category 2, can we become category 1 FX or it is only for banks?

- Dipesh Dharod:** Yes, category 1 is specifically is only for banks and it is licensed by RBI, so basically we all fall under category 2, I do not know if RBI will start permitting category 2 to be upgraded to category one, just in case. But at the moment it is not. I think Mr. Krishna will be little bit in a better position.
- N. Srikrishna:** Yes. See, we are category 2, FFMCs could upgrade themselves to category 2 and AD category 2 money changer is one who can deal in some 17 categories of non-trade related current account transactions, that is around 15 categories and remittance and private remittance against. An FFMCs can deal only in private visit and business visit. So, today I can deal in outward remittance in around 15 categories which are non trade related current account transactions. Whereas an AD 1 is a bank, in fact even payment banks and small banks who deal in this category has to take a AD 2 license. So, AD 1 is a bank which can do both trade related transactions also.
- Imran Contractor:** Sir, just for the understanding, software services, so for that can you receive and remit money? Trade includes these kind of software services.
- Krishna:** We cannot do this at this juncture, we can maybe later part with an AD1 bank as a referral transaction we do that when they permit it. And for banks always they want it to be done for the account holder.
- Imran Contractor:** Sir, is there any cyclicity in our business like maybe in the July, September quarter a lot of people go abroad for studies, so there would be a little bit peak in the business.
- N. Srikrishna:** Naturally foreign exchange business has seasonality, but since we are both in the buying and selling market so initially if you look at the first quarter there will be tourism, second quarter it will be education, third quarter will be inbound travel. Every quarter has a particular seasonality. Second quarter we will have a seasonality because student remittance is obviously there which peaks during this period.
- Imran Contractor:** Sir, there are some intangible assets under assessment in the balance sheet, Rs. 2.16 crores....
- Dipesh Dharod:** This the cost of our digital platforms that we are building in-house. Since as on 31st March they were not operational so it is part of the CWIP. As we keep getting them on live platforms those portions will be then converted to fixed assets and it will be amortized over the period.
- Imran Contractor:** So, that has been capitalized now?
- Dipesh Dharod:** Yes, absolutely.
- Imran Contractor:** And depreciation has been also very low in June quarter.

Dipesh Dharod: Yes, in the March quarter since we had closed a lot of branches so we had some improvements and all those things. So, once we move out of the branch we have to all.....

Imran Contractor: Okay, you wrote-off that furniture and fixtures and is there any inventory gain in this quarter, in terms of foreign currency we are holding and the rupee has been continuously depreciating?

Dipesh Dharod: There is no major mark-to-market effect on any of the June quarter or the March quarter, there was hardly a very nominal effect of maybe a few thousands, when we are holding stock in some crores rupees...

N. Srikrishna: Technically we are not taking position. We do buy and sell, the inventory is also currency which are already committed. So, we do the churn, we do not hold it and wait for the rates to move.

Imran Contractor: And given the way we are growing, what sort of a turnover do you think or at what point of time we would be totally breaking even?

N. Srikrishna: See, actually if you look at it there are two things which we are parallelly doing, one is obviously FOREX is a mature market where there is a hit in the profitability overall in the business and we have been building our FOREX proposition by trying to get into innovative ways of doing things, besides building our business, because you have not followed the traditional model of a branch intensive model. So, two things we are doing parallelly, one is to build our business model in such a way that this is accelerated business growth, that is why the digital proposition come in because once it sits you will have an accelerated business growth. Parallelly we have also looked at non-strategic branches and closed the branches which... so expense also we are controlling, we are also looking at automation of lot of processes to reduce duplication of costs. So, with both these things coming together we are expecting, so I cannot commit exactly this thing, we are looking at the shortest period of time we want to get into the profits.

Imran Contractor: Sir this digital platform selling to the clients, at what level are they, have we crossed the inflection point or still we will see another six months, further addition of doubling of our clients and we would begun inflection point, what is the sense...

N. Srikrishna: Essentially we are live with our corporate platform, because it is more than three months now since we have launched it. We are a little mature because software platforms also by usage only we can come to know. So, I can say our corporate platform is a little mature, but still we are adding clients and we will be adapting it accordingly. So, agent platform is very new, we have started adding customers to it. So, essentially we are expecting next two, three quarters for this to stabilize and to have a major impact in our business.

Imran Contractor: So, what I see is we are targeting at a larger growth in the corporate sector and obviously with the retail whatever growth happens?

- N. Srikrishna:** See, as we said in the presentation, two major signals we are focusing on, corporate, retail and remittance. Remittance also comes under part of retail, so corporate and retail these are our primary focus, wholesale is already there, we are maintaining it.
- Moderator:** Thank you. Our next question is from the line of Giriraj Daga from KM Vysaria Family Trust. Please go ahead.
- Giriraj Daga:** Sir, my first question is related to, if I look at last year annual report, we are observing the margins have gone down, gross margin I am talking about, percentage, somewhere about 1.2 to 1.05. Was it because of market competition or can you please explain on that?
- Dipesh Dharod:** Last year numbers, last year half was MTSS and complete there was FOREX.
- Giriraj Daga:** Just to clarify myself, I am only looking at the FOREX part which is given in the annual report. So, on a Rs. 1500 crores sale you made Rs. 18.9 crores of net margin, but when we did Rs. 1730 crores revenue basically we did Rs. 18.1 crores. So, our gross revenue has gone up by 10% but our net margin has gone down by 4%.
- Dipesh Dharod:** Basically, it is because of the business mix also, and one particular event in the year 2016-2017 which had happened was demonetization, so that had a very big effect on the FOREX market per say, it would be difficult for me to quantify right now but those two odd months were very fruitful for everybody in the FOREX market, so that has boosted the income. And as the business mix changes these market or the revenues keep changing, so it is more of a business mix that has also changed for the company also
- Giriraj Daga:** Now, do you expect this 1.05% kind of a margin to sustain or do you expect pressure there also?
- N. Srikrishna:** See, as Dipesh was telling, there was a one off situation where margins did shoot up, but generally which way the margins go is something we do not know. As of now the FOREX market is a mature market with high competition. So, essentially the margins may slightly improve but we do not know whether it can reach that point, because primarily two, three months of demonetization impact was there on the previous year under consideration.
- Giriraj Daga:** My second question is on the cost side of it, now when I look at it our annualized employee cost is coming at about Rs. 10 crores – Rs. 11 crores kind of a number, while our other expenses also is coming at about Rs. 14 crores – Rs. 15 crores. So, if you can highlight what are these other expenses, these are HO expenses or branch expenses and if you have a bifurcation with HO and branch?
- Dipesh:** Are you referring to the current quarter?

- Giriraj Daga:** Current quarter. So, I am annualizing since separate numbers are not available for last year for FOREX business, so I am annualizing the current numbers.
- Dipesh Dharod:** You are looking at an expenditure, you mentioned 668 total expenses.
- Giriraj Daga:** I am looking at the employee cost of about Rs. 2.7 crores, so roughly about Rs. 11 crores annualized. And employee expense Rs. 3.5 crores so roughly Rs. 14 crores – Rs. 15 crores annualized. So, what are these colors on these expenses, what is this Rs. 14 crores – Rs. 15 crores breakup, would it be helpful?
- Dipesh Dharod:** Other expenses mainly include all other administrative expenses, it includes branches, it includes your printing stationary, conveyance, travelling, commissions paid to our channel partners, there is freight and other expenditure which is there. So, these are audit expenses concurrent internal which are classified, there are other expenses pertaining to the listing of the companies shares on the stock exchange. So, it includes everything including admin and other running expenses of the branch, some are variable in nature and some are fixed in nature.
- Giriraj Daga:** That is question I am asking, how much would be fixed in nature out of this Rs. 15 crores?
- Dipesh Dharod:** It could be I believe Rs. 9 crores approximately fixed in nature.
- Giriraj Daga:** So, as the revenue increases this will give good decent operating leverage to our profitability?
- Dipesh Dharod:** Yes, absolutely.
- Giriraj Daga:** And in terms of yield on our investment, we are booking on accrual basis, so Rs. 60 lakhs or about Rs. 2.3 crores kind of profitability on a Rs. 28-29 crores of FD, so there is booking on something like 7% - 8% kind of yield?
- Dipesh Dharod:** Yes, these banks rates are fluctuating every month or every week as and when it happens, so approximately 7.5% could be an average that you can check on that.
- Moderator:** Thank you. Our next question is a follow-up from the line of Pratik Bora, an individual investor. Please go ahead.
- Pratik Bora:** I had only one question, regarding the sales of the subsidiary MTSS in which we got Rs. 47 crores, so what was the revenue or PAT for the standalone entity for FY17, excluding the FOREX business?
- Dipesh Dharod:** Sorry, I did not get.
- Pratik Bora:** The entity which we sold last year for which we received Rs. 47 crores , so what was the revenue or PAT for this entity?

- Dipesh Dharod:** Revenue for that on a full year basis was about Rs. 12 lakhs, just let me get back to you.
- Pratik Bora:** Very broad number, like profitability or what number.
- Dipesh Dharod:** It was about Rs. 15 lakhs for the year.
- Pratik Bora:** So, we got a very-very premium valuation for this entity, is it?
- Dipesh Dharod:** Yes, we got a premium, basically the investment that Wall Street had made in GSPL was about Rs. 5.11 crores and that is what we got paid for.
- Pratik Bora:** So, we got nine times of the investment, is it?
- Dipesh Dharod:** No, nine times was the profit you are talking. Wall Street had invested when they had bought the subsidiary at Rs. 5.11 crores and we got the same value. And the balance is slump sale basically, so out of 4733, 511 is towards the investment in GSPL and the balance 42.22 is towards the slump sale of the MTSS division.
- Pratik Bora:** But this division was giving us profitability of less than Rs. 1 crores?
- Dipesh Dharod:** Yes, that way it was about Rs. 18 lakhs on an annual basis.
- Pratik Bora:** So, that is what I am coming to. I mean what helped us get such a premium valuation, was it taken out by promoter entity or related promoter entity?
- Dipesh Dharod:** No, it was taken by Ebix only, it was part of the deal.
- Pratik Bora:** I am perplexed at like what helped us fetch Rs. 47 crores valuation for entity?
- Dipesh Dharod:** No, I think we are getting confused in this. See, our total consideration was Rs. 47 crores out of which Rs. 5 crores was towards the share capital or towards the company, GSPL, so that was valuation of about Rs. 5 crores there. So, that Rs. 5 crores moves out, the balance is about Rs. 42 crores which was paid for the sale of MTSS division of Wall Street. Practically for us at Wall Street the investment was sold at cost.
- Pratik Bora:** I will recheck these numbers.
- Dipesh Dharod:** Not a problem. In case you have anything you can get back to the company secretary, she can help you out.
- Moderator:** Thank you. Our next question is a follow-up from the line of Imran Contractor from Quantum Investments. Please go ahead.

Imran Contractor: Sir, one more clarification, when will investment in property which was done, which is there in March 2018 balance sheet, Rs. 49.55 lakhs, what is this?

Dipesh Dharod: , when we had sold our company Goldman Security, this investment was lying in that company. When the deal was struck with Ebix it was only the business sale that had happened. So, we had to get back the property back in the Wall Street books.

Imran Contractor: And there is another financial asset which is about Rs. 2 crores, some AS Patel Trust.

Dipesh Dharod: So, that is there in the balance sheet since long.

Imran Contractor: So, what is this, is this money going to come back?

Dipesh Dharod: Sir, it is a subjudice matter we really do not know the outcome of it at the moment.

Imran Contractor: And this property is what, is it a flat or a building or what is it?

Dipesh Dharod: This is a deposit basically, it is not pertaining to a property, it was a deposit in the books when we acquired it and it is a subjudice matter and let us wait for the verdict to come.

Imran Contractor: Sorry, I had gone back with first one, investment in property, even that is part of the asset which got transferred because we sold off those businesses?

Dipesh Dharod: Yes, absolutely.

Moderator: Thank you. Our next question is follow-up from the line of Giriraj Daga from KM Vysaria Family Trust. Please go ahead.

Giriraj Daga: Two question follow-up there. First is, when we look at the inventory it looks about two days kind of situation, and when you look at receivables it is about three to four days, that is a normal trend we expect throughout the quarter also or is it only year-end numbers?

Dipesh Dharod: Generally, inventory overturns in about three to four working days generally it happens across, because we do not stock much currencies and these are all rotating currencies basically into dollar, pound, euros which are the major currencies. And with regards to your sundry debtors or receivables, basically there are four sectors in all that we deal, so some sectors are on cash and carry and corporate sectors are on some credit period ranging from maybe two days to five days to ten days, whatever the terms are. So, basically if you see, overall if you take the average then it will be about two or three days.

Giriraj Daga: But these numbers that you are giving at year end are broadly similar during the quarter also?

Dipesh Dharod: Absolutely.

- Giriraj Daga:** It is not in quarter end somewhere it peaks, it is not that way right?
- Dipesh Dharod:** It is not that, generally.
- N. Srikrishna:** Over a period based on the business mix there can be a minor change in the number of days, because each segment has its own specialty. So, if business mix changes a bit obviously the number of days creditor can go up by a day or two.
- Giriraj Daga:** My second question is, is it possible we can get a market share like what is our current market share let's say last year in FY18 overall FOREX business?
- N. Srikrishna:** Actually, FOREX business if you look at it from a market share perspective, last year if you look at it we were not among the top three, but we are now building the proposition. So, FOREX business overall market consists of banks are also there, money changers are also there, Thomas Cook is also there. So, there are people who deal in various things. So, essentially talking about overall market share maybe very difficult, because banks are also dealing in the same product, they are competing with us, Thomas Cook also deals which has got a more say in terms of licensing. So, essentially we can say we will be on the top, we are amongst the top ten money changers. But relative positioning maybe based on only on segmental thing.
- Giriraj Daga:** But ex-bank in the market share do you have any ex-banks?
- N. Srikrishna:** Sorry?
- Giriraj Daga:** Excluding bank if I look at only money changers, is there a market share number you would have?
- N. Srikrishna:** No, market share number we cannot commit because the FOREX, see because we cannot say anything specific, because in FOREX industry numbers are not very clear, how much people do in the currency part. But as I said, we are among the top ten companies but with our digital proposition we will scale up. On a segmental level we can talk of over a period of time. As of today, we are selling the business so we do not want to get into the number game at this juncture.
- Giriraj Daga:** Last thing if I can squeeze in, what is the total cost of this digital platform you are looking and how much we have spent so far?
- Dipesh Dharod:** We have spent nearly about almost around Rs. 2.7 crores and we would spending on the upgradation basically, because now the basic platforms will be all ready but as and when the customization comes, as and when new products enter, as and when new things come in, so we need to build this customization so that will be at extra.
- Giriraj Daga:** But what kind, 30 lakhs, 40 lakhs, 50 lakhs or what...?

N. Srikrishna: Actually, we have now built the platform, now we have a Fintech team which is working to support this activity. Now since we are moving on a digital transformation mode there will be a monthly cost for our digital thing also, that is what I think Dipesh is trying to tell. We have got a team of people who are working on our digital proposition now, because these are all continuous developments which happen. So, overall the major spend has happened, that is what we are seeing, major spend of building the platform we have done. Now of course one or two more platforms we are launching and incrementally we are having our digital team which is building this thing.

Moderator: Thank you. Ladies & gentlemen, we take the last question from the line of Imran Contractor from Quantum Investments. Please go ahead.

Imran Contractor: Just a thought, we seem to be holding cash disproportionate to our business needs, are there any management thoughts, how they want to utilize it or do they want to some buyback or something like that or a dividend?

Dipesh Dharod: Mr. Imran, as a management sitting here we are not aware about these boards, these are typically board decisions that would happen. At the moment, as mentioned earlier, amount are kept in FDs which maybe used for an investment opportunity or maybe a buyback opportunity, we are really not sure about it, because it is a board decision that will happen and they are the right people to answer that.

Imran Contractor: But we seem to be having a little more cash than what we need for business needs in current environment?

Dipesh Dharod: Yes.

Moderator: Thank you. Ladies & gentlemen, this was our last question for today. I now hand the conference over to Mr. N. Srikrishna and Mr. Dipesh Dharod for their closing comments. Over to you, sir.

N. Srikrishna: Thank you so much. I would like to thank everyone for joining us on this call. On behalf of Wall Street, we thank you.

Moderator: Thank you. Ladies & gentlemen, on behalf of Wall Street Finance Limited, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines.