

PRESS RELEASE



Mumbai, August 14, 2018

INTRASOFT TECHNOLOGIES LIMITED REPORTS **RESULTS FOR Q1 FY19**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter ended 30th June 2018.

Q1 FY2018-19 HIGHLIGHTS: (All comparisons are with Q1 FY2017-18 figures)

Revenues from operations was Rs. 258.29 Cr. as compared to Rs. 260.16 Cr. in INR terms

MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS

- Revenues from operations was \$38.2 million as compared to \$39.8 million in US\$ terms.
- Operating Cash flow was \$ 369,877 as against a negative cash flow \$ (2,142,715) during the same quarter last year and a negative cash flow \$ (3,216,237) in the previous quarter.

“We've delivered robust growth over the last four years, having gone from \$21m in annual revenues in FY14 to \$179m in FY18 last year, a compounded annual growth rate of 70%. During this time, we have learned a tremendous amount about the operating characteristics of our model, whilst establishing our leadership position amongst the top 3rd party retailers on the US marketplace.” Said Arvind Kajaria, Managing Director.

“This year we intend to focus our energies on consolidation of our operations and improvement of our cash flows to ensure sustainability as we begin our next growth trajectory. “

“We have started to see the benefits of the actions to improve our cash flow generation. We generated positive cash flows this quarter even at similar levels of revenues as compared to last year. We are happy with the trend in Q2 as well and anticipate better cash flow generation in Q2 as compared to Q1.”

Revenue

Revenues from operations was \$38.2 million as compared to \$39.8 million in US\$ terms.

“Our focus in FY 19 is to consolidate our operations after having grown at 70% CAGR over the last 4 years. We want to improve our cash flow generation before we start our next phase of growth.”

Operating Margin

Operating Margin for the quarter was +0.67% in Q1FY19 as compared to +1.91% in Q1FY18.

“The total addressable market size of our opportunity continues to be large and the market continues to adapt. We want to ensure that our supplier partners continue to increase their market share with us, so we have increased our investments in aligning operations and building our systems to scale to handle our next phase of growth. Consequently, our focus is on cash flow generation rather than operating margin so as to ensure that we have the ability to grow in the future without requirement of external capital.”

Accounts Payable

Accounts Payable at the end of June 30th was \$5.2 million, as compared to \$4.4 million same time last year, reflecting 13 days of supplier credit on an annualized basis.

“We continue to engage with our suppliers, and believe we are making good progress in increasing our supplier credit.”

Inventories

Inventories at the end of June 30th was \$17.3 million consisting of the total of goods in transit from suppliers to the fulfillment centers, inventories at the fulfillment centers & goods in transit to the customers, reflecting a 7.7 turns on an annualized basis.

“We have seen a slower movement of late due to changes in seasonality and inventory mix. We anticipate inventory turns will remain slow during the next few months and improve during the holiday season as our inventory software continues to get more data driven.”

Accounts Receivable

Accounts receivable at the end of June 30th was \$2.1 million, reflecting approx. 4 days of sales on an annualized basis.

Notes

1. The Company's primary business is in the area of E-Commerce, carried out by its wholly owned subsidiary, 123Stores, Inc. in the United States of America. Accordingly, the updates for E-Commerce reflect the consolidated performance of 123Stores, Inc. only, and not the consolidated operations of IntraSoft Technologies Ltd.
2. Accounts Payable reflects amounts due to our suppliers, carriers, fulfillment partners & payment services. This is not strictly comparable to our previous releases on account of reclassification. Comparable Numbers are updated in the fact sheet released with this press release.
3. Inventories number reflects the total of goods in transit from suppliers to the fulfillment centers, inventories at the fulfillment centers & goods in transit to the customers (as the company recognizes revenue on delivery).
4. Net Working Capital numbers reflect updated numbers based on Accounts Payable & Inventories as per Note 2 & 3 above. Comparable Numbers are updated in the fact sheet released with this press release.

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly Financial Performance for Q1 FY2018-19 on **Thursday, August 16th, 2018 at 1.00 p.m. (IST)**. Investors and participants can access the call by dialing either of the following access numbers:

Access Numbers	
Primary Number:	+91 22 6280 1195 +91 22 7115 8096
Toll Free Number:	USA: 1866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448

The Participants from IntraSoft Technologies Ltd would be **Mr. Arvind Kajaria (Managing Director)** and **Mr. Mohit Kumar Jha (Chief Financial Officer)**. An archive of the conference call transcript will be available at www.itlindia.com.

ABOUT INTRASOFT TECHNOLOGIES LIMITED:

IntraSoft Technologies Limited owns & operates 123Stores, an Online E-Commerce Retailer.

123Stores, Inc. is a multi-channel E-Commerce retailer with a strong technology backbone that combines supply chain logistics with real time customer data to create a compelling shopping experience. The Company is ranked #231 on the Internet Retailers 2018 Top 1000 list and is ranked #689 in Inc. 5000 (2017) list of fastest growing private US companies.

IntraSoft Technologies Limited also owns & operates 123Greetings.com, the world's leading online destination for human expressions reaching 95 million visitors annually.

FOR MORE INFORMATION PLEASE CONTACT:

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CAUTION CONCERNING FORWARD-LOOKING STATEMENTS:

This document includes certain forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company operates in the future. IntraSoft Technologies Limited may make additional written and oral forward looking statements and is under no obligation to update or alter its forward-looking statements to reflect actual results, changed assumptions or other



INTRASOFT TECHNOLOGIES LIMITED

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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2018

123 Stores

E-Commerce Operating Cash flow of \$ 369,877 in Q1 FY19 against a negative cash flow \$ (2,142,715) in Q1 FY18.

₹ In Lakhs

PARTICULARS	Quarter Ended			Year Ended
	30-06-2018	31-03-2018	30-06-2017	31-03-2018
	(Unaudited)	(Audited) *	(Unaudited)	(Audited)
Income				
I (a) Revenue from Operations	25828.84	28445.39	26016.43	116986.78
II (b) Other Income	70.68	144.58	187.15	510.88
III Total Income (I+II)	25899.52	28589.97	26203.58	117497.66
Expenses				
(a) Cost of Goods Sold	18555.89	19914.45	17157.64	79145.31
(b) Shipping & Handling Expenses	3379.46	4096.78	4055.97	17528.31
(c) Sales and Marketing Expenses	3110.19	3463.01	3487.33	14952.79
(d) Employee Benefits Expense	385.94	449.85	556.79	2039.06
(e) Finance Costs	111.64	84.22	31.91	264.33
(f) Depreciation and Amortisation Expense	45.47	47.13	50.23	195.57
(g) Other Expenses	286.04	363.37	364.82	1417.83
IV Total Expenses	25874.63	28418.81	25704.69	115543.20
V Profit Before Tax (III-IV)	24.89	171.16	498.89	1954.46
VI Tax expense				
(a) Current Tax	13.28	91.83	178.29	643.75
(b) Deferred Tax	-4.29	-30.53	-39.97	-62.44
	8.99	61.30	138.32	581.31
VII Net Profit for the period (V-VI)	15.90	109.86	360.57	1373.15
VIII Other Comprehensive Income				
(i) Items that will not be reclassified subsequently to Profit or Loss (Loss)/ gain on remeasurement of post employment defined benefit obligations	-4.50	34.76	-5.88	14.51
Income tax effect on above	1.17	-9.31	1.62	-3.73
(ii) Items that will be reclassified subsequently to Profit or Loss				
Loss on fair value of investments in debt instruments through OCI	-5.54	-4.25	0.00	-4.25
Income tax effect on above	1.41	1.17	0.00	1.17
IX Total Comprehensive Income for the Period (VII + VIII)	8.44	132.23	356.31	1380.85
X Earnings per Share (EPS) (₹)				
Basic and diluted EPS	0.11	0.75	2.45	9.32

NOTES :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 14th August, 2018.
- Statutory Auditors of the Company have carried out a limited review of the financial results for the quarter ended 30 June 2018. An unqualified opinion has been issued and the same is being filed with the stock exchanges along with the above results.
- As per the requirements of IND AS 108 as notified under Companies (Indian Accounting Standards) Rules 2015 as specified under Section 133 of the Companies Act, no disclosure is required as the Company is operating in single business segment of Internet based delivery of products and services.
- * The figures for the quarter ended 31 March 2018 are the balancing figures between audited figures in respect of full financial year and published year to date figures upto the third quarter of the year ended 31 March 2018.
- The Consolidated financial results of the Company for the quarter ended 30 June 2018 are available on the Company's website www.itlindia.com.

For IntraSoft Technologies Ltd.

Sd/-

Arvind Kajaria

Managing Director

DIN. 00106901



Scan this QR code to download Unaudited Financial Results for the Quarter Ended 30th June, 2018.

Place: Kolkata

Dated: 14th August, 2018