

PRESS RELEASE



Mumbai, 11 November 2020

INTRASOFT TECHNOLOGIES LIMITED REPORTS **RESULTS FOR Q2 FY 2020-21**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter and Half Year ended 30 September 2020.

Q2 and HY1 FY 2020-21 HIGHLIGHTS:

- Revenue for the quarter stood at \$22.34 million, as against \$22.06 million in the comparable quarter last year.
- Revenue for the half year stood at \$50.60 million, as against \$46.28 million last year.

MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS

"This was another quarter amidst the effects of the pandemic, and we continued to work in line with our focus for the year," said Arvind Kajaria, Managing Director. "We look forward to the upcoming holiday season, and believe that we are preparing well for it."

Other Highlights:

- Operating Cash Flow for the quarter was \$(0.14) million, as against \$0.05 million in the comparable quarter last year. For the half year, it was \$0.34 million, as against \$0.48 million last year.
- Accounts Payable at the end of 30 September was \$3.15 million, as compared to \$3.92 million same time last year. This reflects approximately 16.7 Accounts Payable Days on an annualized basis.
- Inventories at the end of 30 September was \$16.28 million, as compared to \$14.20 million same time last year. This reflects approximately 4.1 Inventory Turns on an annualized basis.
- Accounts Receivable at the end of 30 September was \$0.36 million, as compared to \$1.35 million same time last year. This reflects approximately 1.2 Accounts Receivable Days 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 in the United States of America. Accordingly, the updates for E-Commerce reflect the consolidated performance of the E-Commerce division only, and not the consolidated operations of IntraSoft Technologies Ltd.
2. Accounts Payable reflects amounts due to our suppliers, carriers, fulfillment partners & payment services.
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 Notes 2 & 3 above.

ABOUT INTRASOFT TECHNOLOGIES LIMITED:

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

123Stores, Inc. is an E-Commerce Retailer serving the US market. We harness our strong technology backbone that combines supply-chain logistics with real-time marketplace data, to create a compelling selling proposition for the brand-partners. The Company is ranked #232 on the Internet Retailer's 2019 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 factors.



INTRASOFT TECHNOLOGIES LIMITED

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2020

₹ In Lakhs

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Income						
I Revenue from Operations	16743.13	21694.86	15713.71	38437.99	32800.07	59067.54
II Other Income	125.81	197.12	157.79	322.93	226.34	485.42
III Total Income (I + II)	16868.94	21891.98	15871.50	38760.92	33026.41	59552.96
IV Expenses						
(a) Cost of Goods Sold	11833.19	15840.37	11605.22	27673.56	24094.50	43643.37
(b) Shipping and Handling Expenses	1925.32	2335.08	1461.86	4260.40	3318.17	5255.92
(c) Sales and Marketing Expenses	2123.59	2687.16	1773.27	4810.75	3647.17	6637.98
(d) Employee Benefit Expenses	436.06	368.42	398.86	804.48	737.59	1566.92
(e) Finance Costs	81.72	97.32	130.87	179.04	265.55	553.87
(f) Depreciation and Amortisation Expense	103.34	105.98	99.55	209.32	199.80	409.43
(g) Other Expenses	302.35	259.95	341.95	562.30	665.27	1272.24
Total Expenses	16805.57	21694.28	15811.58	38499.85	32928.05	59339.73
V Profit Before Tax (III - IV)	63.37	197.70	59.92	261.07	98.36	213.23
VI Tax expense						
(a) Current Tax	17.14	34.88	9.67	52.02	12.53	39.28
(b) Deferred Tax	-15.98	-53.03	-4.59	-69.01	-7.99	-36.74
(c) Income Tax (earlier years)	0.00	0.29	-0.09	0.29	-0.18	-0.18
VII Net Profit for the Period (V - VI)	62.21	215.56	54.93	277.77	94.00	210.87
VIII Other Comprehensive Income						
(i) Items that will not be reclassified subsequently to Profit or Loss						
Remeasurement benefit of post employment defined benefit obligations	-5.50	-5.50	-2.70	-11.00	-5.40	-10.73
Income tax effect on above	1.47	1.48	0.73	2.95	1.46	2.97
(ii) Items that will be reclassified subsequently to Profit or Loss						
Gain on fair value of investments in debt instruments through OCI	8.01	16.16	4.69	24.17	14.68	3.91
Exchange differences on translation of financial statements of foreign operations	-102.93	-2.42	101.19	-105.35	87.08	367.69
Income tax effect on above	-2.22	-4.50	-1.30	-6.72	-4.08	-1.09
IX Total Comprehensive Income for the Period (VII + VIII)	-38.96	220.78	157.54	181.82	187.74	573.62
X Paid up Share Capital (face value of ₹ 10 each, fully paidup)	1473.17	1473.17	1473.17	1473.17	1473.17	1473.17
XI Reserves excluding revaluation reserve/ Other equity						13316.18
XII Earnings per Share (EPS) (₹)						
Basic and diluted EPS	0.42	1.46	0.37	1.89	0.64	1.43
XIII Additional Information on Standalone Financial Results is as follows:						
Revenue from Operations	204.80	208.19	139.17	412.99	285.72	690.06
Profit/(Loss) before Tax	87.74	180.90	41.25	268.64	24.06	138.38
Profit/(Loss) after Tax	80.74	197.79	34.82	278.53	15.39	118.88

Consolidated Statement of Assets and Liabilities

₹ In Lakhs

PARTICULARS	As at	As at
	30/09/2020	31/03/2020
	(Unaudited)	(Audited)
ASSETS		
Non-current Assets		
Property, Plant and Equipment	1588.47	1646.42
Other Intangible Assets	3451.59	2129.68
Right of Use Assets	1024.22	1180.32
Financial Assets		
(i) Investments	682.01	673.37
(ii) Loans	5.40	5.25
Deferred Tax Assets (Net)	2058.38	2012.19
Income Tax Assets (Net)	51.34	52.91
Other Non-current Assets	241.05	230.23
	9102.46	7930.37
Current Assets		
Inventories	12007.16	12278.49
Financial assets		
(i) Investments	5736.91	6384.67
(ii) Trade Receivables	327.12	267.51
(iii) Cash and Cash Equivalents	1943.29	1769.15
(iv) Other Bank Balances	338.21	116.15
(v) Loans	0.00	2.57
(vi) Other Financial Assets	0.00	0.00
Income Tax Assets (net)	0.00	13.58
Other Current Assets	223.73	352.82
	20576.42	21184.94
TOTAL ASSETS	29678.88	29115.31
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	1473.17	1473.17
Other Equity	13498.01	13316.18
	14971.18	14789.35
Liabilities		
Non-current Liabilities		
Financial Liabilities		
(i) Borrowings	10300.69	9711.69
(ii) Lease Liability	869.62	1002.36
(iii) Other Financial Liabilities	2.01	2.01
Provisions	151.72	130.97
Deferred Tax Liabilities (Net)	101.83	116.04
Other Non-current Liabilities	100.49	101.48
	11526.36	11064.55
Current Liabilities		
Financial Liabilities		
(i) Trade Payables	2027.39	1850.13
(ii) Lease Liability	226.75	232.16
(iii) Other Financial Liabilities	222.65	367.12
Provisions	4.64	4.40
Income Tax Liabilities (Net)	31.05	2.33
Other Current Liabilities	668.86	805.27
	3181.34	3261.41
TOTAL EQUITY AND LIABILITIES	29678.88	29115.31

Consolidated Statement of Cash Flows

₹ In Lakhs

PARTICULARS	Half year ended	
	30/09/2020	30/09/2019
	(Unaudited)	(Unaudited)
A. Cash flow from operating activities		
Profit before tax	261.07	98.36
Adjustments for:		
Depreciation and Amortisation Expense	209.32	199.80
Impairment of non convertible debenture	5.00	0.00
Net gain on sale of investments measured at FVTPL	-221.03	-149.87
Net gain arising on remeasurement of investments measured at FVTPL	-45.38	-5.04
Foreign exchange loss (net)	6.58	3.07
Finance costs	179.04	265.55
Interest income	-55.50	-70.35
Operating profit before working capital changes	339.10	341.52
Adjustments for working capital changes:		
Decrease/(increase) in trade receivables	-66.19	138.17
Decrease/(increase) in inventories	271.33	-157.64
Decrease in loans	2.42	69.98
Decrease in financial assets	0.00	0.27
Decrease in other assets	110.58	135.16
Increase in provisions	9.99	6.36
Decrease in financial liabilities	-144.47	-203.29
Decrease in other liabilities	-137.40	-505.17
Increase in trade payables	177.26	119.54
Cash generated from/ (used in) operating activities	562.62	-55.10
Income tax paid (net of refunds)	2.49	-20.91
Net cash generated from / (used in) operating activities (A)	565.11	-76.01
B. Cash flow from investing activities:		
Purchase of investments	-1402.92	-494.60
Sale of investments	2327.68	1119.62
Purchase of property, plant and equipment	-19.24	-0.91
Purchase of other intangible assets	-1376.18	-344.18
Increase in CWIP	0.00	-2.05
Proceeds from sale of property, plant and equipment and intangible assets	53.46	-61.40
Decrease in Other Bank Balances	45.85	0.00
Interest received	55.50	70.35
Maturity of fixed deposits (net)	-267.91	23.90
Net cash generated from / (used in) investing activities (B)	-583.76	310.73
C. Cash flow from financing activities:		
Proceeds from/(repayment of) of long-term borrowings	589.00	270.71
Repayment of lease liabilities (net)	-150.18	-63.72
Dividend paid (including taxes thereon)	0.00	-355.97
Interest paid	-140.68	-265.55
Net cash generated from/ (used in) financing activities (C)	298.14	-414.53
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	279.49	-179.81
Cash and cash equivalents at the beginning of the year	1769.15	1073.75
Effect of currency translation on cash and cash equivalents	-105.35	87.08
Cash and cash equivalents at the end of the period	1943.29	981.02

NOTES :

- These consolidated financial results have been prepared in accordance with Indian Accounting Standards notified under Section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. These results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11 November 2020.
- Statutory Auditors of the Company have reviewed the results for the quarter and half year ended 30 September 2020. An unmodified conclusion 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 Group has, in the preparation of these interim condensed consolidated financial results, considered the possible effects that may result from COVID-19 pandemic, including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the Group has, at the date of approval of these condensed financial results, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered in due course of time.
- The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- The Consolidated financial results of the Company for the quarter and half year ended 30 September 2020 are available on the Company's website www.itlindia.com.

For IntraSoft Technologies Ltd.

Sd/-

Arvind Kajaria

Managing Director

DIN: 00106901

Place: Kolkata

Date: 11 November 2020



Scan this QR code to download Unaudited Financial Results for the Quarter Ended 30 September 2020.