



INTRASOFT TECHNOLOGIES LIMITED REPORTS NINE MONTHS REVENUES UP 36% TO Rs. 723 Cr.

PRESS RELEASE



Mumbai, February 6, 2017

INTRASOFT TECHNOLOGIES LIMITED REPORTS NINE MONTHS REVENUES UP 36% TO Rs. 723 Cr AND PAT UP 81% TO Rs. 14.57 Cr

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Unaudited Consolidated Financial Results for the Quarter ended December 31, 2016.

Nine Months FY2016-17 HIGHLIGHTS: (All comparisons are with Nine Months FY2015-16 figures)

- Total Income at Rs. 722.91 Cr. up by 36% from Rs. 529.90 Cr.
- Profit after Tax (PAT) at Rs 14.57 Cr. up by 81% from Rs 8.06 Cr.

Q3 FY2016-17 HIGHLIGHTS: (All comparisons are with Q3 FY2015-16 figures)

- Total Income at Rs. 281.76 Cr. up by 9% from Rs. 258.31 Cr.
- Profit after Tax (PAT) at Rs 6.53 Cr. up by 26% from Rs 5.17 Cr.

Trailing Twelve Months ended 31st December, 2016 HIGHLIGHTS:

- Total Income at Rs. 909.53 Cr.

MANAGEMENT'S STATEMENT

Commenting on the performance, **Mr. Arvind Kajaria**, Managing Director, said "Our performance during Q3FY17 is a testament to the robustness of our technology backbone and operational processes. We have crossed the important milestone of fulfilling over a million orders during the 2016 US holiday season while maintaining customer satisfaction at the same high levels it has always been."

Mr. Kajaria added: "During the first quarter of this financial year, we assessed that we would need to make a structural improvement to our working capital cycle for the business to scale seamlessly and fully realise its long-term growth potential. This has been our primary focus during FY17, and towards this end we have taken measures such as renegotiating contracts with our supplier partners, although it meant sacrificing growth in the short run. I'm pleased to note that our efforts have started to bear fruit in the form of increased supplier's credit, which not only alleviates the need for any additional capital, but also shows our growing importance in the market place. We have since moved to a self-sustaining working capital structure which gives us headroom to scale and take full advantage of the market momentum. During the last couple of quarters, we did not add the same amount of new



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products as before, because of re-negotiation of contracts. As a result, we saw a bump up in profits. As before, we intend to re-invest these monies into bringing new products on board and thereby boost our topline in similar trajectory as before.”

Highlights

E-COMMERCE BUSINESS

The E-Commerce business saw tremendous performance growth and improvement in all parameters during the quarter.

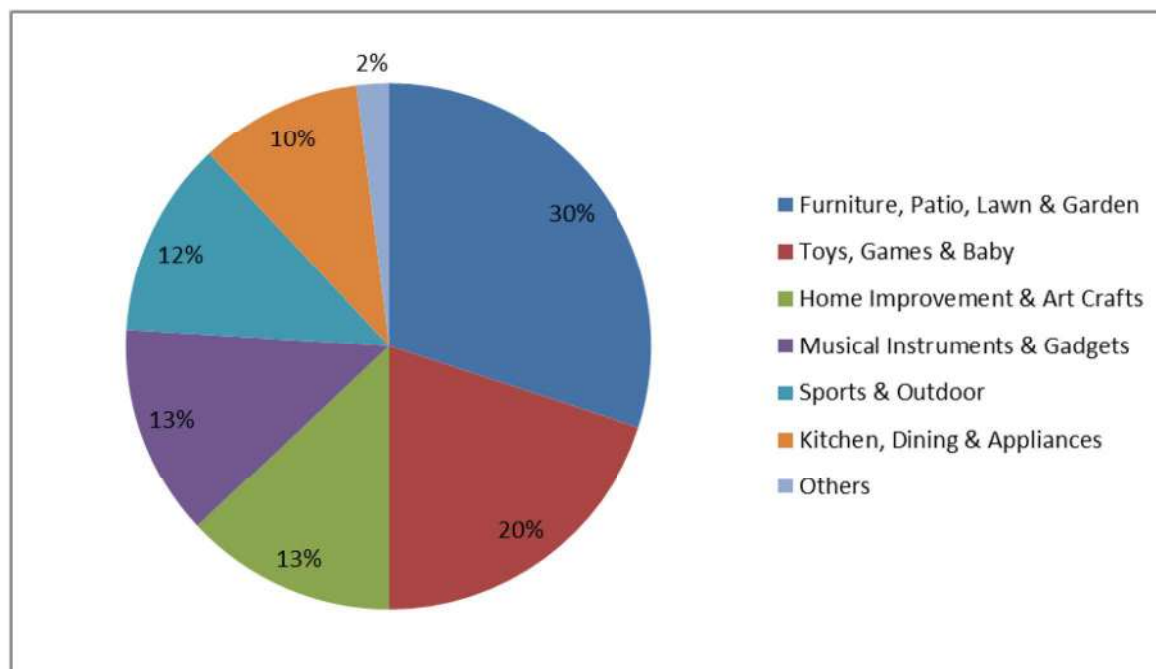
Revenue:

Particulars	Q3 FY 2016-17	Q3 FY 2015-16	Growth (%)
E-Commerce Revenue	276.16 Cr.	252.65 Cr.	9.31%

E-Commerce Revenues increased to Rs 276.16 Cr. from Rs 252.65 Cr. during the quarter, a growth of 9.31% Y-o-Y. This growth was across all product categories, with Furniture, Patio, Lawn & Garden being the largest contributor.

The Company added 50 new suppliers and 20,000 products during the quarter taking the total to 1833 Suppliers & 575,000 Unique Products.

The Top Product Categories by Revenues during Q3 FY2016-17 were





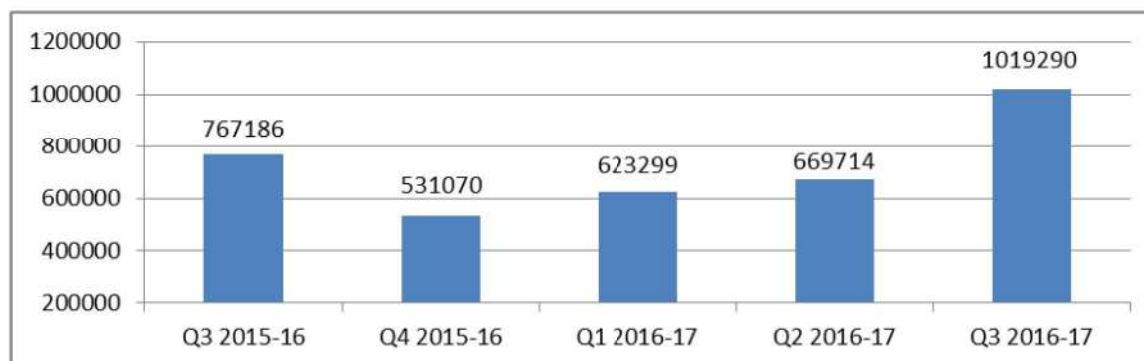
Product Categories	% of Sales
Furniture, Patio, Lawn & Garden	30%
Toys, Games & Baby	20%
Home Improvement & Art Crafts	13%
Musical Instruments & Gadgets	13%
Sports & Outdoor	12%
Kitchen, Dining & Appliances	10%
Others	2%

Orders:

Particulars	Q3 FY 2016-17	Q3 FY 2015-16	Growth (%)
Orders	1,019,290	767,186	33%

The Number of Orders grew tremendously over the quarter to 1,019,290 from 767,186, a growth of 33% Y-o-Y. Our proprietary technology platform allows us to scale order volumes with minimal human intervention, enabling cost savings as we grow volumes.

The Number of Orders Shipped during the last 5 quarters were



Quarter	Orders
Q3 2016-17	1,019,290
Q2 2016-17	669,714
Q1 2016-17	623,299
Q4 2015-16	531,070
Q3 2015-16	767,186



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Gross Margin:

Particulars	Q3 FY 2016-17	Q3 FY 2015-16	Improvement (%)
Cost of Goods Sold (Inc. Shipping)	80.8%	80.7%	-0.1%
Gross Margin	19.2%	19.3%	

As the sales momentum continues to improve, we are continuing to see an improvement in Gross Margins from our existing products and suppliers. Our margin almost remains the same at 19.2% as compared to 19.3% Y-o-Y. As the sales momentum continues to improve, the overall Cost of Goods Sold will trend downwards as we derive benefits from economies of scale.

Inventory:

As on 31st December, 2016, Inventory at our fulfillment centers was Rs. 35.88 Cr.

Inventory Turnover, average (Trailing Twelve Months) improved to 11.4 from 10.7 in the previous quarter, reflecting fast moving and promotion driven inventory.

Additionally, Goods in transit as on 31st December, 2016 was Rs. 8.99 Cr.

Working Capital:

As on 31st December, 2016, Accounts Payable days (Trailing Twelve Months) for our E-Commerce Business stood at 16 Days down from 17 days in the previous quarter.

Accounts Receivable Days (Trailing Twelve Months) remained constant at 4 Days.

Accordingly, our working capital gap (Trailing Twelve Months) improved to -20 days from -21 days in the previous quarter and this gap will reduce at a faster pace in the coming quarters.

Our E-Commerce Business generated free cash flow of Rs 40.12 Cr. during the quarter, which would help the business to scale and take full advantage of the market opportunity.

Revenue per Employee:

Revenue per employee increased to Rs. 4.93 Cr (TTM Q3-FY17) from Rs. 3.43 Cr (TTM Q3-FY16) as we increased investments in our technology, leading to higher levels of automation. We expect gains in productivity to continue as automation and process optimization drive efficiencies.

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly & Nine Month ended Q3 FY2016-17 Financial Performance, on **Tuesday, February 7th, 2017 at 12.30 p.m. (IST)**. Investors and participants can access the call by dialing either of the following access numbers.



INTRASOFT TECHNOLOGIES LIMITED REPORTS NINE MONTHS REVENUES UP 36% TO Rs. 723 Cr.

Access Numbers	
Primary Number:	+91 22 3960 0711
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 Kalaria (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 #262 on the Internet Retailers 2015 Top 500 list and is ranked #1,641 in Inc. 5,000 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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Website : www.itlindia.com CIN : L24133MH1996PLC197857

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2016

123 Stores

E-Commerce Nine Months Revenue
up by 37% to ₹ 710 Cr. from ₹ 517 Cr. Y-o-Y

E-Commerce Q3 Order Volume
up by 33% to 1,019,290 orders from 767,186 orders Y-o-Y

₹ in Lakhs

PARTICULARS	Quarter Ended			Nine Months Ended		Year Ended
	31-12-2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/03/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income						
a. Income from Operations	28176.42	21897.77	25831.12	72291.29	52990.44	71687.54
Total Income from Operations	28176.42	21897.77	25831.12	72291.29	52990.44	71687.54
2. Expenditure						
a. Cost of Goods Sold	17942.37	14024.87	16522.30	46323.46	34314.85	46540.44
b. Shipping & Handling Expenses	4387.32	3223.29	3881.41	10883.57	7794.13	10676.47
c. Sales and Marketing Expenses	4063.88	3169.81	3688.76	10473.59	7427.18	10090.68
d. Employee Benefits Expense	546.28	596.74	630.51	1705.98	1611.73	2287.75
e. Depreciation & Amortisation Expenses	46.44	46.40	42.25	138.08	114.27	159.55
f. General and Administrative Expenses	359.98	391.79	299.80	1076.39	829.33	1250.07
Total Expenditure	27346.27	21452.90	25065.03	70601.07	52091.49	71004.96
3. Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	830.15	444.87	766.09	1690.22	898.95	682.58
4. Other Income	163.83	338.00	29.33	567.56	253.24	460.24
5. Profit/(Loss) before Finance Cost and Exceptional Items (3+4)	993.98	782.87	795.42	2257.78	1152.19	1142.82
6. Finance Costs	117.27	85.77	69.33	275.11	150.38	237.05
7. Profit/(Loss) before Exceptional Items (5-6)	876.71	697.10	726.09	1982.67	1001.81	905.77
8. Exceptional Items (Net)	0.00	0.00	0.00	0.00	61.33	3441.12
9. Profit/(Loss) from Ordinary Activities (7+8)	876.71	697.10	726.09	1982.67	1063.14	4346.89
10. Tax expense	224.09	156.92	208.68	525.22	257.05	196.20
11. Net Profit/(Loss) from Ordinary Activities after Tax (9-10)	652.62	540.18	517.41	1457.45	806.09	4150.69
12. Extraordinary Items (net of Tax Expenses)	0.00	0.00	0.00	0.00	0.00	0.00
13. Net Profit/(Loss) for the period (11 +/- 12)	652.62	540.18	517.41	1457.45	806.09	4150.69
14. Paid-up Equity Share Capital of ₹ 10 each	1473.17	1473.17	1473.17	1473.17	1473.17	1473.17
15. Reserve excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year						10333.38
16. Earnings per Share (EPS) (₹)						
Basic and diluted EPS before and after Extraordinary Items	4.43	3.67	3.51	9.89	5.47	28.18

STANDALONE INFORMATION

PARTICULARS	Three Months Ended			Nine Months Ended		Year Ended
	31/12/2016	30/09/2016	31/12/2015	31/12/2016	31/12/2015	31/03/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	313.41	316.88	612.39	936.14	2521.71	2842.73
Profit before Tax and Exceptional Items	135.37	238.30	44.00	413.78	613.02	618.32
Profit after Tax and Exceptional Items	130.33	236.58	24.67	402.33	606.18	3973.96

NOTES :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 6th February, 2017.
- Statutory Auditors of the company M/s Walker Chandlok & Co LLP have carried out a Limited Review of the results for the quarter ended 31st December 2016.
- As per the requirements of AS-17 issued as per Companies (Accounting Standards) Rules, 2006, no disclosure is required as the Company is operating in single business segment of Internet based delivery of products and services.
- The Standalone and Consolidated financial results of the Company for the quarter ended 31st December, 2016 are available on the Company's website www.itlindia.com
- Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Ltd.

Sd/-

Arvind Kalaria
Managing Director



Scan this QR code to download Unaudited Financial Results for the Quarter and Nine Months Ended 31st December, 2016.

Place: Kolkata
Date: 6th February, 2017