

PRESS RELEASE



Mumbai, 12 August 2019

INTRASOFT TECHNOLOGIES LIMITED REPORTS **RESULTS FOR Q1 FY 2019-20**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter ended 30 June 2019.

Q1 FY2019-20 HIGHLIGHTS: (All comparisons are with Q1 FY2018-19 figures)

- Operating Cash Flow of the E-Commerce business for the quarter was \$0.43 million, as against a cash flow of \$0.37 million during the same quarter last year.
- Consolidated Revenue from operations was ₹170.86 Cr as compared to ₹258.29 Cr.

MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS

"We are happy to begin FY20 with a quarter that saw positive cash flow performance, in line with our focus at the conclusion of FY19," said Arvind Kalaria, Managing Director.

"This is a result of the efforts put in throughout the last financial year. With the learnings in place, we have ensured that incremental revenue comes with cash flow generation. Long-term debt continues to fall, going down by \$0.16 million this quarter, and now stands at \$9.87 million.

As we continue working towards bringing more brand-partners onto our platform and towards increasing business with the existing brand-partners, we look forward to seeing these trends continue in the subsequent quarters."

Revenue

Revenue from operations for the quarter was \$24.22 million, as compared to \$23.83 million in the previous quarter and \$38.23 million in the comparable quarter.

"FY19 was focused around revenue enhancement in qualitative terms to make it cash flow positive and we continue to do that in the current year."

Operating Margin

Operating Margin was +0.94% in Q1FY20 as compared to +0.67% in Q1FY19.

“Our focus continues to be on cash flow generation so as to ensure that we grow without requirement of external capital.”

Accounts Payable

Accounts Payable at the end of 30 June was \$4.24 million, as compared to \$4.18 million last quarter, and \$5.21 million same time last year, reflecting 16.40, 15.30 and 13.40 Accounts Payable Days on an annualized basis respectively.

“Accounts Payable Days increased this quarter, both in relation to the previous quarter and the corresponding quarter last year. This momentum continues from FY19, and is indicative of increasing brand-partner confidence in our value proposition.”

Inventories

Inventories at the end of 30 June was \$14.22 million, reflecting 5.30 turns on an annualized basis.

Of the \$14.22 million, \$7.20 million worth of inventories were at the fulfillment centers and \$7.02 million worth of inventories were in transit, consisting of the total of goods in transit from suppliers to the fulfillment centers & goods in transit to the customers.

Accounts Receivable

Accounts Receivable at the end of 30 June was \$1.48 million, reflecting approximately 4.90 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.

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Financial Performance for the Quarter ended 30 June 2019 on **Tuesday, 13 August 2019 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 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 marketplace data to create a compelling selling platform. 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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UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE, 2019

123Stores

**E-Commerce Operating Cash Flow of \$ 428,770 in Q1 FY20
against Cash Flow of \$ 369,877 in Q1 FY19.**

₹ In Lakhs

| PARTICULARS | Quarter Ended | | | Year Ended |
|---|-----------------|-----------------|-----------------|-----------------|
| | 30-06-2019 | 31-03-2019 | 30-06-2018 | 31-03-2019 |
| | (Unaudited) | (Audited) * | (Unaudited) | (Audited) |
| Income | | | | |
| I (a) Revenue from Operations | 17086.36 | 17113.63 | 25828.84 | 83655.42 |
| II (b) Other Income | 68.55 | 160.57 | 70.68 | 496.18 |
| III Total Income (I + II) | 17154.91 | 17274.20 | 25899.52 | 84151.60 |
| Expenses | | | | |
| (a) Cost of Goods Sold | 12489.28 | 12557.54 | 18555.89 | 60547.70 |
| (b) Shipping & Handling Expenses | 1856.31 | 1913.18 | 3379.46 | 10152.79 |
| (c) Sales and Marketing Expenses | 1873.90 | 1840.68 | 3110.19 | 9514.98 |
| (d) Employee Benefits Expense | 338.73 | 356.20 | 385.94 | 1523.92 |
| (e) Finance Costs | 134.68 | 154.12 | 111.64 | 497.95 |
| (f) Depreciation and Amortisation Expense | 100.25 | 42.37 | 45.47 | 176.19 |
| (g) Other Expenses | 323.32 | 368.49 | 286.04 | 1426.14 |
| IV Total Expenses | 17116.47 | 17232.58 | 25874.63 | 83839.67 |
| V Profit Before Tax (III-IV) | 38.44 | 41.62 | 24.89 | 311.93 |
| VI Tax expense | | | | |
| (a) Current Tax | 2.86 | 15.28 | 13.28 | 58.02 |
| (b) Deferred Tax | -3.40 | -206.14 | -4.29 | -210.05 |
| (c) Income Tax (earlier years) | -0.09 | 1.33 | 0.00 | -102.49 |
| VII Net Profit/(Loss) for the Period (V - VI) | 39.07 | 231.15 | 15.90 | 566.45 |
| VIII Other Comprehensive Income | | | | |
| (i) Items that will not be reclassified subsequently to Profit or Loss | | | | |
| Remeasurement of post employment defined benefit obligations | -2.70 | 31.14 | -4.50 | 17.64 |
| Income tax effect on above | 0.73 | -8.05 | 1.17 | -4.54 |
| (ii) Items that will be reclassified subsequently to Profit or Loss | | | | |
| (Loss)/ gain on fair value of investments in debt instruments through OCI | 9.99 | 4.89 | -5.54 | -9.89 |
| Exchange differences on translation of financial statements of foreign operations | -14.11 | -38.26 | 114.46 | 165.81 |
| Income tax effect on above | -2.78 | -1.05 | 1.41 | 2.76 |
| IX Total Comprehensive Income/(Loss) for the Period (VII + VIII) | 30.20 | 219.82 | 122.90 | 738.23 |
| X Paid up Share Capital (face value of ₹ 10 each, fully paidup) | | | | 1473.17 |
| XI Reserves excluding revaluation reserve/ Other equity | | | | 13096.94 |
| XII Earnings per Share (EPS) (₹) | | | | |
| Basic and diluted EPS | 0.27 | 1.57 | 0.11 | 3.85 |
| XIII Additional Information on Standalone Financial Results is as follows: | | | | |
| Revenue from Operations | 146.55 | 278.02 | 171.47 | 766.43 |
| Profit/(Loss) before Tax | 2.07 | 206.29 | -34.95 | 196.37 |
| Profit/(Loss) after Tax | 0.85 | 178.49 | -33.83 | 163.89 |

NOTES :

- These results have been prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. These results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12 August 2019.
- Statutory Auditors of the Company have reviewed the results for the quarter ended 30 June 2019. 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 Company has adopted Ind AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. This has resulted in recognizing a Right-of-use asset and a corresponding Lease Liability of ₹ 1,325.92 lacs as at 1 April 2019.
- *The figures for the quarter ended 31 March 2019 is the balancing figures between audited figures in respect of the full financial year and the unaudited third quarter published year to date figures, which were subjected to limited review.
- The Consolidated financial results of the Company for the quarter ended 30 June 2019 is available on the Company's website www.itindia.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
30 June 2019.

Place: Kolkata

Dated: 12 August, 2019