



PRESS RELEASE



Mumbai, February 8, 2018

INTRASOFT TECHNOLOGIES LIMITED REPORTS REVENUE UP 27% Y-o-Y

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its unaudited Consolidated Financial Results according to Ind-AS for the Quarter ended 31st December 2017.

Nine Months FY2017-18 HIGHLIGHTS: (All comparisons are with Nine Months FY2016-17 figures)

- Revenue grew by 27% in constant currency terms.
- Revenue grew by 22% to Rs 885.41 Cr from Rs 722.90 Cr in INR terms.

Q3 FY2017-18 HIGHLIGHTS: (All comparisons are with Q3 FY2016-17 figures)

- Revenue grew by 25% in constant currency terms.
- Revenue grew by 20% to Rs 338.26 Cr from Rs 281.76 Cr in INR terms.

Trailing Twelve Months ended 31st December 2017 HIGHLIGHTS: (All comparisons are with TTM ended 31st December 2016 figures)

- Revenue grew by 25% in constant currency terms.
- Revenue grew by 21% to Rs 1101.51 Cr from Rs 909.52 Cr in INR terms.

MANAGEMENT'S STATEMENT

Commenting on the results, Mr. Arvind Kajaria, Managing Director said, "We are pleased to report a revenue growth of 25% during the quarter, seeing a marked improvement from the growth of 6% during the same quarter last year.



During the quarter (Q3FY18), which happens to be the holiday season in USA, we traditionally have a higher mix of sales coming from the Toys category. We saw headwinds in this category as one of the largest offline toy retailers filed for bankruptcy protection entering into the holiday season. This led to deep discounting across the Toy category. We reduced our sales in this category vis-à-vis our earlier expectation. However, this still had some negative impact on our sales, while the deep discounting partially impacted our margins. We believe this is transitory and going forward should have a positive impact on our sales as distribution channels normalise and share of online channel increases.

In the third quarter last year (Q3FY17), we were in the midst of a structural change, which had led to a slowdown in addition of new products and hence higher margins, while compromising on sales growth. From this quarter (Q3FY18), we have started to make fresh investments to add new products to our selection. However, this impacted our EBITDA this quarter, but will help us accelerate our growth trajectory in the coming quarters.

We anticipate our sales growth to accelerate in Q4 as we start to make investments to increase our selection. To that end, we ended this Quarter with a higher inventory level as compared to Q3FY17 along with a higher Goods in Transit level. The rapid increase resulted in an increased investment in inventory during the quarter, even before the benefits of our supplier credit negotiations start kicking in. As a result, the differential cash flow was invested by the Company during the quarter. As the year progresses, we should see the benefits of the credit negotiations resulting in cash flow generation again.

Our working capital requirement reduced to 14 days during TTM Q3FY18, in comparison to 20 days during TTM Q3FY17, an improvement of 30% Y-o-Y, while continuing to grow revenues. Going forward, we would gradually improve our working capital cycle by increasing suppliers credit and maintaining high inventory performance.

Our revenue per employee increased significantly year-on-year during Trailing twelve months Q3FY18 to a record high, which shows the strength of our automation engine and scalability of our technology platform, placing us amongst the best-in-class tech companies in terms of employee productivity.

During the quarter, the US government reduced its tax rate from 35% to 21% effective from Jan 1, 2018. The tax savings enable us further to add more suppliers and new products, fueling our growth for the coming years and increasing our market share.

We are seeing tremendous traction from customers as we focus on leveraging technology and innovation to reinvent the way customers shop and build a truly differentiated retail experience. We remain firmly focused on delighting our customers as we continue to innovate and raise the bar in



terms of selection, service and the experience. We look forward to making great strides as the year progresses and continue to build the 123Stores brand. Overall, we are very enthusiastic about our long-term growth.”

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly & Nine Months Financial Performance for Q3 FY2017-18 on **Friday, February 9th, 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 3960 0551
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 #223 on the Internet Retailers 2017 Top 500 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.



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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 UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2017

123 Stores

Revenue in Q3 up by 25% Y-o-Y (Constant Currency Terms)

Revenue YTD up by 27% Y-o-Y (Constant Currency Terms)

₹ In Lakhs

PARTICULARS	Quarter Ended			Nine Months Ended	
	31/12/2017	30/09/2017	31/12/2016	31/12/2017	31/12/2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Income					
I Revenue from Operations	33826.12	28698.83	28176.41	88541.39	72289.65
II Other Income	44.80	134.35	139.53	366.30	491.74
III Total Income (I + II)	33870.92	28833.18	28315.94	88907.69	72781.39
IV Expenses					
(a) Cost of Goods Sold	22875.82	19197.40	17942.37	59230.86	46323.46
(b) Shipping & Handling Expenses	5115.45	4260.10	4387.32	13431.53	10883.57
(c) Sales and Marketing Expenses	4273.57	3728.88	4063.88	11489.78	10471.96
(d) Employee Benefits Expenses	497.17	535.24	546.98	1589.21	1708.09
(e) Finance Costs	101.68	46.52	117.27	180.11	275.11
(f) Depreciation and Amortisation Expense	48.42	49.78	46.44	148.44	138.08
(g) Other Expenses	340.65	348.98	360.16	1054.46	1076.91
Total Expenses	33252.76	28166.90	27464.42	87124.39	70877.18
V Profit before Tax (III - IV)	618.16	666.28	851.52	1783.30	1904.21
VI Tax expenses					
(a) Current Tax	130.68	242.96	242.36	551.92	650.69
(b) Deferred Tax	-19.84	27.91	-26.97	-31.91	-152.61
VII Net Profit for the Period (V - VI)	507.32	395.41	636.13	1263.29	1406.13
VIII Other Comprehensive Income					
(i) Items that will not be reclassified to Profit or Loss	-8.48	-5.88	0.82	-20.25	2.44
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss	2.34	1.62	-0.28	5.58	-0.84
IX Total Comprehensive Income for the Period (VII + VIII)	501.18	391.15	636.67	1248.62	1407.73
X Earnings per Share (EPS) (₹)					
Basic and diluted EPS	3.44	2.68	4.32	8.58	9.54

NOTES :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 08 February 2018.
- Statutory Auditors of the Company have carried out a limited review of the results for the quarter and nine months ended 31 December 2017. An unqualified opinion has been issued and the same is being filed with the stock exchanges along with the above results.
- Results for the quarter and nine months ended 31 December 2017 are in accordance with the Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, which are applicable to the Company for the accounting period beginning on or after 01 April 2017. Consequently, results for the corresponding quarter and nine months ended 31 December, 2016 has been restated as per requirements of the said notification, to comply with Ind AS to make them comparable.
- 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 Consolidated financial results of the Company for the quarter and nine months ended 31 December 2017 are available on the Company's website www.itlindia.com
- Previous period figures have been regrouped and re-arranged, wherever necessary to conform to the current period's classification.
- Reconciliation of previously reported Net Profit (after tax) on account of transition from previous Indian GAAP to Ind AS for the quarter and nine months ended 31 December 2016:

₹ In Lakhs

PARTICULARS	Quarter ended	Nine months ended
	31.12.2016	31.12.2016
	Unaudited	Unaudited
	(Refer Note 2)	(Refer Note 2)
Net profit for the quarter and nine months under previous Indian GAAP	652.62	1457.45
Unrealised profit/ (loss) on fair value of current investments	-24.40	-76.08
Interest income using Effective interest rate on fair valuation of security deposits	0.08	0.24
Actuarial loss on defined benefit plan reclassified to Other Comprehensive Income	-0.71	-2.12
Amortisation of prepaid rent recognised on fair valuation of security deposits	-0.18	-0.52
Deferred tax impact on above GAAP adjustments (net)	8.72	27.16
Net profit for the quarter and nine months under Ind AS	636.13	1406.13

For IntraSoft Technologies Limited

Sd/
Arvind Kajaria
Managing Director
DIN: 00106901



Scan this QR code to download Unaudited Financial Results for the Quarter Ended 31 December 2017.