

## **PRESS RELEASE**



Mumbai, 28 May 2019

### **INTRASOFT TECHNOLOGIES LIMITED REPORTS** **RESULTS FOR Q4 & FY 2018-19**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter and Financial Year ended 31 March 2019.

#### **Q4 FY2018-19 HIGHLIGHTS: (All comparisons are with Q4 FY2017-18 figures)**

- Operating Cash Flow of the E-Commerce business for the quarter was \$0.71 million, which after accounting for \$0.80 million tax paid in this quarter came to \$(0.09) million. This is against a negative cash flow of \$(3.22) million during the same quarter last year, and a cash flow of \$1.43 million in the previous quarter.
- Consolidated Revenue from operations was ₹171.14 Cr as compared to ₹284.45 Cr.

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

- Operating Cash Flow was \$2.72 million as against a negative cash flow of \$(8.23) million.
- Consolidated Revenue from operations was ₹836.55 Cr as compared to ₹1,169.87 Cr.

#### **MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS**

"We continue to deliver strong cash flow performance. In each of the last four quarters, and over the year as a whole, we outperformed YoY with respect to operating cash flow generation, even at lower levels of revenue," said Arvind Kajaria, Managing Director.

"Our revenue has improved qualitatively by becoming more working capital efficient. At the same time, our ranking of #232 in Internet Retailer's Top 1000 Report vis-à-vis #231 of last year, a mere slippage of one rank given the lower levels of revenue, solidifies our position among the industry leaders.

Long-term debt now stands at \$10.03 million as compared to \$12.19 million at the start of the year, a cumulative reduction of \$2.16 million.

We are pleased to report that as we conclude this financial year, we also concluded the consolidation of our learnings, the process which began with the year. As we enter FY20 with the learnings in place, our focus will be to bring more and more brand-partners on-board to report simultaneous growth in cash flow and topline.”

## **Revenue**

Revenue from operations for the quarter was \$23.83 million as compared to \$43.71 million in the comparable quarter. For FY19, it was \$118.16 million as compared to \$179.40 million in FY18.

“The lower level of revenue is the consequence of a conscious decision to reduce purchases from brand-partners that make us working capital intensive. Thus, even though revenue saw de-growth in quantitative terms, in qualitative terms the translation of revenue into cash flow has increased.”

## **Operating Margin**

Operating Margin was +1.13% in Q4FY19 as compared to +0.94% in Q4FY18. For FY19, it was +0.87% as compared to +1.88% in FY18.

“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 31 March was \$4.18 million, as compared to \$3.91 million last quarter, and \$6.24 million same time last year, reflecting 15.30, 14.70 and 12.90 Accounts Payable Days on an annualized basis respectively.

“The increase in Accounts Payable Days this quarter, both in relation to the previous quarter and the corresponding quarter last year, is an indication of increasing confidence of brand-partners in the value we bring to their business, and we see this trend continuing in the quarters to come.”

## **Inventories**

Inventories at the end of 31 March was \$14.33 million, reflecting 5.70 turns on an annualized basis.

Of the \$14.33 million, \$7.23 million worth of inventories were at the fulfillment centers and \$7.10 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 31 March was \$1.57 million, reflecting approximately 4.80 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, 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 Financial Performance for the Quarter and Financial Year ended 31 March 2019 on **Wednesday, 29 May 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](http://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 #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:**

Pranvesh Tripathi  
Company Secretary  
IntraSoft Technologies Limited  
A-502, Prathamesh, Rahguvanshi Mills Compound,  
Senapati Bapat Marg, Lower Parel.  
Mumbai – 400 013  
Phone: 91-22-2491-2123 | Fax: 91-22-2490-3123 | Email: [intrasoft@itlindia.com](mailto:intrasoft@itlindia.com)

Ms. Purvangi Jain  
Business Development Head  
IntraSoft Technologies Limited  
Phone: 91-22-2491-2123 | Fax: 91-22-2490-3123 | Email: [purvangi.jain@itlindia.com](mailto:purvangi.jain@itlindia.com)

Mr. Anuj Sonpal  
Investor Relations Advisors  
Valorem Advisors  
Phone: 91- 9930609010 | Email: [anuj@valoremadvisors.com](mailto:anuj@valoremadvisors.com)

#### **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**

Registered Office : 502A, Prathamesh, Raghuvanshi Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai 400 013.  
Tel : 91-22-2491-2123, Fax : 91-22-2490-3123, Email : intrasoft@itindia.com,  
Website : www.itindia.com CIN : L24133MH1996PLC197857

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

## E-Commerce Operating Cash Flow of \$ 2.72 million in FY19 against a negative cash flow \$ (8.23) million in FY18

PARTICULARS	Quarter Ended			Year Ended	
	31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>₹ In Lakhs</b>					
<b>Income</b>					
I Revenue from Operations	17113.63	19130.31	28445.39	83655.42	116986.78
II Other Income	160.57	148.44	144.58	496.18	510.88
<b>III Total Income (I + II)</b>	<b>17274.20</b>	<b>19278.75</b>	<b>28589.97</b>	<b>84151.60</b>	<b>117497.66</b>
<b>IV Expenses</b>					
(a) Cost of Goods Sold	12557.54	13869.44	19914.45	60547.70	79145.31
(b) Shipping & Handling Expenses	1913.18	2142.31	4096.78	10152.79	17528.31
(c) Sales and Marketing Expenses	1840.68	2115.09	3463.01	9514.98	14952.79
(d) Employee Benefits Expenses	356.20	356.41	449.85	1523.92	2039.06
(e) Finance Costs	154.12	126.75	84.22	497.95	264.33
(f) Depreciation and Amortisation Expense	42.37	43.89	47.13	176.19	195.57
(g) Other Expenses	368.49	386.22	363.37	1426.14	1417.83
<b>Total Expenses</b>	<b>17232.58</b>	<b>19040.11</b>	<b>28418.81</b>	<b>83839.67</b>	<b>115543.20</b>
<b>V Profit/(Loss) before Tax (III - IV)</b>	<b>41.62</b>	<b>238.64</b>	<b>171.16</b>	<b>311.93</b>	<b>1954.46</b>
<b>VI Tax expense</b>					
(a) Current Tax	15.28	18.81	91.83	58.02	650.74
(b) Deferred Tax	-206.14	-8.94	-30.53	-210.05	-62.44
(c) Income Tax (earlier years)	1.33	-1.66	0.00	-102.49	-6.99
<b>VII Net Profit/(Loss) for the Period (V - VI)</b>	<b>231.15</b>	<b>230.43</b>	<b>109.86</b>	<b>566.45</b>	<b>1373.15</b>
<b>VIII Other Comprehensive Income</b>					
(i) Items that will not be reclassified subsequently to Profit or Loss					
Remeasurement benefit of post employment defined benefit obligations	31.14	-4.50	34.76	17.64	14.51
Exchange differences on translation of financial statements of foreign operations	-38.26	-151.77	67.66	165.81	24.96
Income tax effect on above	-8.05	1.17	-9.31	-4.54	-3.73
(ii) Items that will be reclassified subsequently to Profit or Loss					
(Loss)/ gain on fair value of investments in debt instruments through OCI	4.89	-4.47	-4.25	-9.89	-4.25
Income tax effect on above	-1.05	1.16	1.17	2.76	1.17
<b>IX Total Comprehensive Income/(Loss) for the Period (VII + VIII)</b>	<b>219.82</b>	<b>72.02</b>	<b>199.89</b>	<b>738.23</b>	<b>1405.81</b>
<b>X Paid up Share Capital</b>					
(face value of ₹ 10 each, fully paidup)				1473.17	1473.17
<b>XI Reserves excluding revaluation reserve/ other equity</b>				13096.94	12712.53
<b>XII Earnings per Share (EPS) (₹)</b>					
Basic and diluted EPS	1.57	1.56	0.75	3.85	9.32
<b>XIII Additional Information on Standalone Financial Results is as follows:</b>					
Revenue from Operations	278.02	148.90	225.42	766.43	953.58
Profit/(Loss) before Tax	206.29	32.23	30.73	196.37	119.90
Profit/(Loss) after Tax	178.49	39.84	36.83	163.89	125.02

**STATEMENT OF ASSETS AND LIABILITIES**

PARTICULARS	As at	
	31/03/2019	31/03/2018
	(Audited)	(Audited)
<b>₹ In Lakhs</b>		
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	1665.38	1812.41
Intangible Assets	1296.24	341.85
Capital Work-in-Progress	82.33	0.00
Financial Assets		
(i) Investments	1495.36	1372.34
(ii) Loans	6.58	10.50
Deferred Tax Assets (Net)	1941.92	1738.65
Non-current Tax Assets (Net)	58.60	65.70
Other Non-current Assets	566.33	460.01
	<b>7102.74</b>	<b>5831.49</b>
<b>Current Assets</b>		
Inventories	9907.64	12389.94
Financial assets		
(i) Investments	5912.35	5816.42
(ii) Trade Receivables	1160.65	1230.29
(iii) Cash and Cash Equivalents	1073.75	2128.81
(iv) Balances with Bank, other than (iii) above	150.38	209.35
(v) Loans	72.13	10.50
(vi) Others	0.27	118.50
Current Tax Assets (net)	4.15	53.06
Other Current Assets	272.00	150.64
	<b>18553.32</b>	<b>22107.51</b>
<b>TOTAL ASSETS</b>	<b>25656.06</b>	<b>27939.00</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share Capital	1473.17	1473.17
Other Equity	13096.94	12712.53
	<b>14570.11</b>	<b>14185.70</b>
<b>Liabilities</b>		
<b>Non-current Liabilities</b>		
Financial Liabilities		
(i) Borrowings	6937.63	7946.77
(ii) Others	2.01	20.08
Provisions	106.97	107.83
Deferred Tax Liabilities (Net)	94.94	95.47
Other Non-current Liabilities	103.49	105.49
	<b>7247.04</b>	<b>8275.64</b>
<b>Current Liabilities</b>		
Financial Liabilities		
(i) Trade Payables	2308.12	3504.42
(ii) Others	498.32	1028.19
Other Current Liabilities	1018.07	352.24
Provisions	4.17	3.76
Current Tax Liabilities (Net)	10.23	589.05
	<b>3838.91</b>	<b>5477.66</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25656.06</b>	<b>27939.00</b>

**NOTES :**

- The 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 28 May 2019.
- Statutory Auditors of the Company have audited the results for the quarter and year ended 31 March 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 figures for the quarter ended 31 March 2019 and 31 March 2018 are 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 Board of Directors recommended a Dividend @ 20% i.e. ₹ 2 per Equity Share for the Financial Year 2018-19 at this meeting.
- The Consolidated financial results of the Company for the quarter and year ended 31 March 2019 are available on the Company's website www.itindia.com

For IntraSoft Technologies Ltd.  
Sd/-  
**Arvind Kajoria**  
Managing Director  
DIN: 00106901



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Financial Results for  
the Quarter Ended  
31 March 2019.