



IntraSoft Technologies Limited Reports Revenue Up 37% Y-o-Y

PRESS RELEASE



Mumbai, May 28, 2018

INTRASOFT TECHNOLOGIES LIMITED REPORTS REVENUE UP 37% Y-o-Y

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Audited Consolidated Financial Results according to Ind-AS for the Quarter and Year ended 31st March 2018.

Q4 FY2017-18 HIGHLIGHTS: (All comparisons are with Q4 FY2016-17 figures)

- Revenue grew by 37% in constant currency terms.
- Revenue grew by 32% to ₹ 284.45 Cr from ₹ 216.11 Cr in INR terms.

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

- Revenue grew by 30% in constant currency terms.
- Revenue grew by 25% to ₹ 1169.87 Cr from ₹ 939.01 Cr in INR terms.
- Recommendation of Dividend retained @ 20% i.e. ₹ 2.00 per Equity Share

MANAGEMENT'S STATEMENT

Commenting on the results, Mr. Arvind Kajaria, Managing Director said, "We are pleased to report that revenue growth accelerated to 37% during the quarter from 25% during the last quarter.

123Stores was ranked as the 231st largest online retailer in USA, as per the re-based Internet Retailer Top 1000 Guide for 2018. This is the fifth consecutive year that 123Stores has featured in this prestigious list of online retailers. Internet Retailer added many more companies in the 2018 guide, that were earlier not included in the ranking till last year, making the guide more comprehensive. Whilst comparisons are not possible due to the re-basing, we believe we would have gained by 20-25 ranks in the older ranking system. 123Stores grew by 31% during the calendar year 2017, clearly outpacing the 16% growth for online retail and 18% for the Top 1000 retailers.



This has been a year where we have strengthened and built on the foundation laid during the earlier years. Our working capital requirement reduced to 15 days during TTM Q4FY18, in comparison to 18 days during TTM Q4FY17, an improvement of 17% Y-o-Y, while continuing to grow revenues. Having optimized our inventory performance and demand forecasting engines during CY17, our focus on increasing suppliers' credit started yielding results, as can be seen in our account payable days, which increased to 11 days during TTMQ4FY18 from 10 days during TTMQ3FY18. Going forward, we would continue to improve our working capital cycle in a consistent manner by increasing suppliers' credit and maintaining high inventory turnover performance. Our revenue per employee continued to increase at an accelerated pace and reached a record high during the TTM Q4FY18, which shows the scalability of our platform and places us amongst the best tech companies in the world.

As E-Commerce continues to expand, customers have come to expect quicker delivery of their purchases. As shipping cost represents a significant portion of our expenses, we have started the development of an algorithmic based software that will leverage machine learning and Artificial Intelligence concepts to optimise our shipping routes to be able to deliver packages at faster transit times using cost efficient transit options. The algorithm will interpret vast amounts of data which will lead to substantial cost savings and strengthen our position vis-à-vis competitors to gain market share in the coming years, once our software is ready.

Our EBITDA margin for the quarter improved by 92 basis points from -0.36% in Q4FY17 to +0.56% in Q4FY18, driven by improvement in our operating efficiencies and increased automation. Our Income from operations for FY17-18 grew by 9% year-on-year, whilst continuing to grow, albeit on a higher base.

With our technology platform strengthened and processes optimized, we will continue to build inventory to take advantage of the strong demand of our products and continue the growth momentum. While the increase in suppliers' credit has started kicking in, it takes time to reach optimal levels and we are trending towards it. In the interim, inventory will be funded through internal accruals and the available credit limits with banks given our healthy balance sheet. To that end, we built up inventory this year, along with higher Goods in transit level to position ourselves for the growth ahead.

Overall, we believe we have strengthened our base for consistent growth in the coming years and are excited to be a part of the growing U.S. e-commerce market."



CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly & Annual Financial Performance for Q4 FY2017-18 & FY2017-18 on **Tuesday, May 29th, 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 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 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 #231 on the Internet Retailers 2018 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 AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2018

123 Stores

Revenue in Q4 up by 37% Y-o-Y
(Constant Currency Terms)
Revenue for the Year up by 30% Y-o-Y
(Constant Currency Terms)

PARTICULARS	Quarter Ended			Year Ended	
	31/03/2018	31/12/2017	31/03/2017	31/03/2018	31/03/2017
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Income					
I Revenue from Operations	28445.39	33826.12	21611.41	116986.78	93901.06
II Other Income	144.58	44.80	182.80	510.88	674.54
III Total Income (I + II)	28589.97	33870.92	21794.21	117497.66	94575.60
IV Expenses					
(a) Cost of Goods Sold	19914.45	22875.82	13951.17	79145.31	60274.63
(b) Shipping & Handling Expenses	4096.78	5115.45	3589.42	17528.31	14472.99
(c) Sales and Marketing Expenses	3463.01	4273.57	3101.27	14952.79	13573.23
(d) Employee Benefits Expenses	449.85	497.17	633.16	2039.06	2341.25
(e) Finance Costs	84.22	101.68	80.42	264.33	355.53
(f) Depreciation and Amortisation Expense	47.13	48.42	49.36	195.57	187.44
(g) Other Expenses	363.37	340.65	414.71	1417.83	1491.82
Total Expenses	28418.81	33252.76	21819.51	115543.20	92896.69
V Profit/(Loss) before Tax (III - IV)	171.16	618.16	-26.30	1954.46	1678.91
VI (a) Tax expense	91.83	130.68	-10.35	643.75	640.34
(b) Deferred tax	-30.53	-19.94	62.90	-62.44	-89.71
VII Net Profit/(Loss) for the Period (V - VI)	109.86	507.32	-77.85	1373.15	1328.28
VIII Other Comprehensive Income					
(i) Items that will not be reclassified subsequently to Profit or Loss					
(Loss)/ gain on remeasurement of post employment defined benefit obligations	34.76	-8.48	4.68	14.51	7.12
Income tax effect on above	-9.31	2.34	-1.29	-3.73	-2.13
(ii) Items that will be reclassified subsequently to Profit or Loss					
(Loss)/ gain on fair value of investments in debt instruments through OCI	-4.25	0.00	0.43	-4.25	0.43
Income tax effect on above	1.17	0.00	-0.12	1.17	-0.12
IX Total Comprehensive Income/(Loss) for the Period (VII + VIII)	132.23	501.18	-74.15	1380.85	1333.58
X Earnings per Share (EPS) (₹)					
Basic and diluted EPS	0.75	3.44	-0.53	9.32	9.02

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

PARTICULARS	As at		
	31/03/2018 (Audited)	31/03/2017 (Audited)	01/04/2016 (Audited)
ASSETS			
Non-current Assets			
Property, Plant and Equipment	1812.41	1938.39	1906.95
Capital Work-in-Progress	0.00	0.00	4.26
Other Intangible Assets	341.85	49.10	59.12
Financial Assets			
(i) Investments	1372.34	499.44	498.80
(ii) Loans	10.50	11.26	10.67
Deferred Tax Assets (Net)	1738.65	1711.46	1628.28
Non-current Tax Assets (Net)	65.70	36.27	189.77
Other Non-current Assets	490.04	400.72	423.91
	5851.49	4646.64	4721.76
Current Assets			
Inventories	12389.94	4125.04	5529.82
Financial assets			
(i) Investments	5816.42	6700.50	5449.20
(ii) Trade Receivables	1230.29	949.54	900.91
(iii) Cash and Cash Equivalents	2128.81	1782.58	1478.74
(iv) Bank Balances other than (iii) above	209.35	152.99	114.33
(v) Loans	10.50	179.65	292.89
(vi) Others	118.50	140.60	135.79
Current Tax Assets (net)	53.06	105.05	10.02
Other Current Assets	150.64	115.64	2158.82
	22107.51	14261.59	16070.42
TOTAL ASSETS	27939.00	18698.23	20792.08
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1473.17	1473.17	1473.17
Other Equity	12712.53	11661.33	10746.32
	14185.70	13134.50	12219.49
Non-current Liabilities			
Financial Liabilities			
(i) Borrowings	7946.77	1621.25	3312.50
(ii) Others	20.98	22.90	30.81
Provisions	107.83	94.00	64.97
Deferred Tax Liabilities (Net)	95.47	130.72	137.25
Other Non-current Liabilities	105.49	0.00	0.00
	8275.64	1869.06	3545.53
Current Liabilities			
Financial Liabilities			
(i) Borrowings	0.00	0.00	330.00
(ii) Trade Payables	3504.42	1743.62	3243.20
(iii) Other Financial Liabilities	1028.19	1143.85	995.54
Other Current Liabilities	352.24	531.98	385.45
Provisions	9.76	3.35	2.75
Current Tax Liabilities (Net)	589.05	471.87	70.12
	5477.66	3894.67	5027.06
TOTAL EQUITY AND LIABILITIES	27939.00	18698.23	20792.08

NOTES :

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 28 May 2018.
- Statutory Auditors of the Company have audited the results for the quarter and year ended 31 March 2018. 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 year ended 31 March 2018 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 year ended 31 March 2017 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 figures for the quarter ended 31 March 2018 and 31 March 2017 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 2017-18 at this meeting.
- The Consolidated financial results of the Company for the quarter and year ended 31 March 2018 are available on the Company's website www.itlindia.com
- Reconciliation of previously reported Net Profit (after tax) on account of transition from previous Indian GAAP to Ind AS for the quarter and year ended 31 March 2017:

PARTICULARS	Quarter ended	Year ended
	31.03.2017 Audited (Refer Note 5)	31.03.2017 Audited (Refer Note 5)
Net profit for the quarter and half year under previous Indian GAAP	-77.67	1379.75
Unrealised profit/ (loss) on fair value of current investments	5.02	-71.05
Interest income using Effective interest rate on fair valuation of security deposits	0.10	0.34
Actuarial loss on defined benefit plan reclassified to Other Comprehensive Income	-5.78	-7.90
Amortisation of prepaid rent recognised on fair valuation of security deposits	-0.18	-0.69
Deferred tax impact on above GAAP adjustments (net)	0.86	27.83
Net profit for the quarter and year under Ind AS	-77.85	1328.28

- Reconciliation of previously reported Equity on account of transition from previous Indian GAAP to Ind AS:

PARTICULARS	31.03.2017	01.04.2016
	₹ In Lakhs	₹ In Lakhs
Equity as per previous GAAP	13122.48	11806.71
Adjustments:		
Effect of measuring current investments at fair value through profit and loss account	16.36	87.41
Adjustment on account of proposed dividend	0.00	354.61
Effect of measuring security deposits at fair value	-0.58	-0.22
Effect of adjustment in liability for compensated absences	-5.08	0
Effect of measuring non-current investments at fair value through other comprehensive income	2.18	1.75
Tax impact of above items	-0.86	-30.77
Total adjustments	12.02	412.78
Equity under Ind AS	13134.50	12219.49

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 March 2018.