IntraSoft Technologies Limited

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February 12, 2019

Corporate Relationship Department
BSE Limited
P.J.Towers, Dalal Street,
Fort, Mumbai

Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Mumbai

Scrip code: 533181 / ISFT

Dear Sir,

Sub: Press Release on Financial Results

Ref: Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to captioned matter, please find enclosed herewith a copy of press release proposed to be released by the Company on Financial Results for the quarter ended on December 31, 2018.

This is for your information and records.

Thanking You,

Yours faithfully,
For IntraSoft Technologies Limited

INTRASOFT TECHNOLOGIES LIMITED

Pranvesh Tripathi
Company Secretary & Compliance Officer

Encl: as above

PRESS RELEASE

Mumbai, 12 February 2019

INTRASOFT TECHNOLOGIES LIMITED REPORTS RESULTS FOR Q3 FY19

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter and Nine Months ended 31 December 2018.

Q3 FY2018-19 HIGHLIGHTS: (All comparisons are with Q3 FY2017-18 figures)

- Operating Cash Flow of the E-Commerce business for the quarter was $1.43 million as against a negative cash flow of $(0.46) million during the same quarter last year and a cash flow of $1.01 million in the previous quarter.

- Consolidated Revenue from operations was ₹ 191.30 Cr. as compared to ₹ 338.26 Cr.

MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS

"We are pleased to report yet another quarter of strong cash flow generation since we began the process of consolidating our learnings at the beginning of this financial year," said Arvind Kajaria, Managing Director.

"This quarter, and over the last three quarters as a whole, we generated positive cash flows even at lower levels of revenue vis-à-vis negative cash flows of the corresponding periods last year. This reflects an increase in the proportion of revenue that is cash flow generating, indicating greater working capital efficiency.

Long-term debt fell by a further $1.1 million this quarter, in addition to the $1.7 million reduction in the first half of the year.

We enter the final quarter motivated by the current cash flow trend. As we near the completion of the consolidation of our learnings, we look forward to reporting simultaneous growth in cash flow and topline in the following year."

Revenue

Revenues from operations was $25.82 million as compared to $51.49 million.

"The lower level of revenue is the consequence of a conscious decision to reduce purchases from vendors 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 +1.20% in Q3FY19 as compared to +1.96% in Q3FY18.

"Even at a lower margin, we reported stronger cash flow performance this quarter. This is crucial for long-term sustainable growth. 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 December was $3.91 million, as compared to $3.7 million last quarter and $5.43 million same time last year, reflecting 14.7, 13.5 and 12.2 days of supplier credit on an annualized basis respectively.

"The increase in supplier credit this quarter, both in relation to the previous quarter and the corresponding quarter last year, is an indication of increasing vendor confidence in the value we bring to their business."

Inventories

Inventories at the end of December 31st was $14.78 million, reflecting 6.1 turns on an annualized basis.

Of the $14.78 million, $7.46 million worth of inventories were at the fulfillment centers and $7.32 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 December was $1.11 million, reflecting approximately 4.1 days of sales 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 Nine Months ended 31 December 2018 on **Wednesday, 13 February 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 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.