IntraSoft Technologies Limited

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November 14, 2018

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 and half year ended on September 30, 2018.

This is for your information and records.

Thanking You,

Yours faithfully,
For IntraSoft Technologies Limited

Pranvesh Tripathi
Company Secretary & Compliance Officer

Encl: as above

PRESS RELEASE

Mumbai, November 14, 2018

INTRASOFT TECHNOLOGIES LIMITED REPORTS RESULTS FOR Q2 FY19

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter and Half Year ended 30th September 2018.

Q2 FY2018-19 HIGHLIGHTS: (All comparisons are with Q2 FY2017-18 figures)

- Consolidated Revenues from operations was ₹ 215.83 Cr. as compared to ₹ 286.99 Cr. in INR terms
- Operating Cash Flow of E-Commerce business for the quarter was $1.01 million as against a negative cash flow of $(2.42) million during the same quarter last year and cash flow of $0.37 million in the previous quarter.

MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS

"We're now half way through our focus of our energies on consolidation of our operations and improvement of our cash flows to ensure sustainability as we begin our next growth trajectory," said Arvind Kajaria, Managing Director.

"We generated positive cash flows this quarter even at lower levels of revenues as compared to last year. The lower levels of revenues were an outcome of us reducing our purchases from many vendors and consequently realigning them with our strategy. As the vendor engagements progress, sales growth will become both robust and cash flow accretive.

Cash flow growth in the meantime continues its momentum, as can be seen from the first two quarters. Long-term debt fell by a further $0.9 million this quarter, in addition to the $0.8 million reduction in the previous quarter. As we achieve the preferred seller status with more and more vendors, along with cash flow generation, we're setting the base for long-term sustainable growth."

Revenue

Revenues from operations was $30.3 million as compared to $44.4 million.

"Our focus in FY 19 is to consolidate our operations after having grown at 70% CAGR over the last 4 years. We want to improve our cash flow generation before we start our next phase of growth."

Operating Margin

Operating Margin for the quarter was +0.63% in Q2FY19 as compared to +2.62% in Q2FY18.

"The total addressable market size of our opportunity continues to be large and the market continues to adapt. We want to ensure that our supplier partners continue to increase their market share with us, so we have increased our investments in aligning operations and building our systems to scale to handle our next phase of growth. Consequently, 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 September 30th was $3.7 million, as compared to $5.2 million same time last year, reflecting 13.5 days of supplier credit on an annualized basis.

"We continue to engage with our suppliers, and believe we are making good progress in increasing our supplier credit."

Inventories

Inventories at the end of September 30th was $15.4 million, reflecting 7.0 turns on an annualized basis.

Of the $15.4 million, $7.7 million worth of inventories were at the fulfillment centers and $7.7 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.

"We have seen a slower movement of late due to changes in seasonality and inventory mix. We anticipate inventory turns will improve during the holiday season as our inventory software continues to get more data driven."

Accounts Receivable

Accounts receivable at the end of September 30th was $1.4 million, reflecting approximately 4 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 Half Year ended 30 September 2018 on **Thursday, November 15th, 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.