IntraSoft Technologies Limited

Regd. Office : 502A Prathamesh, Raghuvanshi Mills Compound, S.B. Marg, Lower Parel, Mumbai - 400 013
T: +91-22-2491-2123 F: +91-22-2490-3123 E: intrasoft@itlindia.com W: www.itlindia.com CIN : L24133MH1996PLC197857
Corp. Office : Suite 301, 145 Rash Behari Avenue, Kolkata - 700 029. Tel: +91-33-4023-1234 Fax: +91-33-2464-6584

February 6, 2017

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 .

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, February 6, 2017

INTRASOFT TECHNOLOGIES LIMITED REPORTS NINE MONTHS REVENUES UP 36% TO Rs. 723 Cr AND PAT UP 81% TO Rs. 14.57 Cr

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Unaudited Consolidated Financial Results for the Quarter ended December 31, 2016.

Nine Months FY2016-17 HIGHLIGHTS: (All comparisons are with Nine Months FY2015-16 figures)

- Total Income at Rs. 722.91 Cr. up by 36% from Rs. 529.90 Cr.
- Profit after Tax (PAT) at Rs 14.57 Cr. up by 81% from Rs 8.06 Cr.

Q3 FY2016-17 HIGHLIGHTS: (All comparisons are with Q3 FY2015-16 figures)

- Total Income at Rs. 281.76 Cr. up by 9% from Rs. 258.31 Cr.
- Profit after Tax (PAT) at Rs 6.53 Cr. up by 26% from Rs 5.17 Cr.

Trailing Twelve Months ended 31st December, 2016 HIGHLIGHTS:

- Total Income at Rs. 909.53 Cr.

MANAGEMENT'S STATEMENT

Commenting on the performance, **Mr. Arvind Kajaria**, Managing Director, said "Our performance during Q3FY17 is a testament to the robustness of our technology backbone and operational processes. We have crossed the important milestone of fulfilling over a million orders during the 2016 US holiday season while maintaining customer satisfaction at the same high levels it has always been."

Mr. Kajaria added: "During the first quarter of this financial year, we assessed that we would need to make a structural improvement to our working capital cycle for the business to scale seamlessly and fully realise its long-term growth potential. This has been our primary focus during FY17, and towards this end we have taken measures such as renegotiating contracts with our supplier partners, although it meant sacrificing growth in the short run. I'm pleased to note that our efforts have started to bear fruit in the form of increased supplier's credit, which not only alleviates the need for any additional capital, but also shows our growing importance in the market place. We have since moved to a self-sustaining working capital structure which gives us headroom to scale and take full advantage of the market momentum. During the last couple of quarters, we did not add the same amount of new

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products as before, because of re-negotiation of contracts. As a result, we saw a bump up in profits. As before, we intend to re-invest these monies into bringing new products on board and thereby boost our topline in similar trajectory as before."

Highlights

E-COMMERCE BUSINESS

The E-Commerce business saw tremendous performance growth and improvement in all parameters during the quarter.

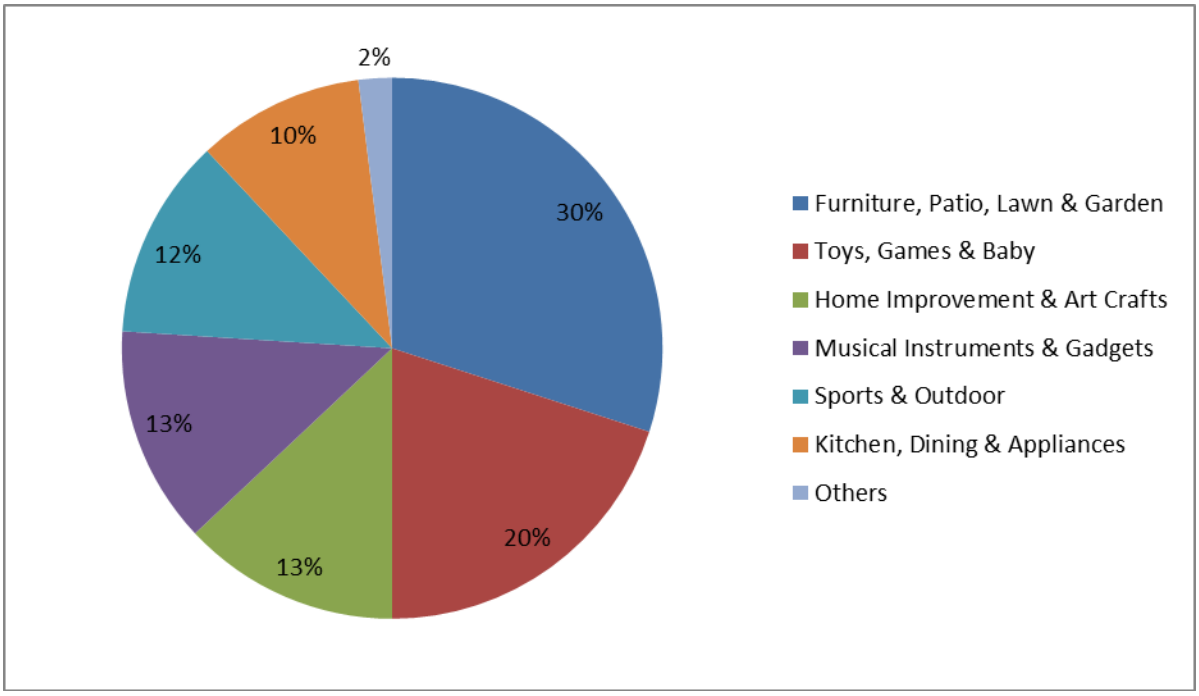
Revenue:

Particulars	Q3 FY 2016-17	Q3 FY 2015-16	Growth (%)
E-Commerce Revenue	276.16 Cr.	252.65 Cr.	9.31%

E-Commerce Revenues increased to Rs 276.16 Cr. from Rs 252.65 Cr. during the quarter, a growth of 9.31% Y-o-Y. This growth was across all product categories, with Furniture, Patio, Lawn & Garden being the largest contributor.

The Company added 50 new suppliers and 20,000 products during the quarter taking the total to 1833 Suppliers & 575,000 Unique Products.

The Top Product Categories by Revenues during Q3 FY2016-17 were



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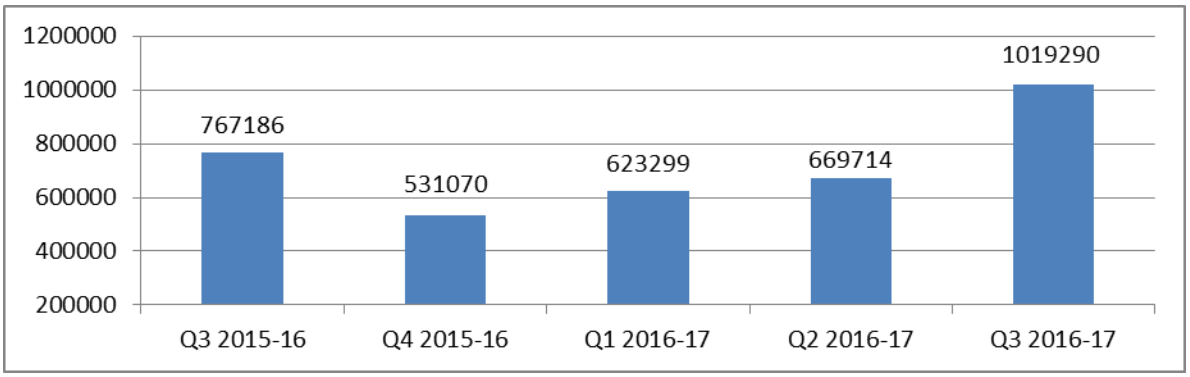
Product Categories	% of Sales
Furniture, Patio, Lawn & Garden	30%
Toys, Games & Baby	20%
Home Improvement & Art Crafts	13%
Musical Instruments & Gadgets	13%
Sports & Outdoor	12%
Kitchen, Dining & Appliances	10%
Others	2%

Orders:

Particulars	Q3 FY 2016-17	Q3 FY 2015-16	Growth (%)
Orders	1,019,290	767,186	33%

The Number of Orders grew tremendously over the quarter to 1,019,290 from 767,186, a growth of 33% Y-o-Y. Our proprietary technology platform allows us to scale order volumes with minimal human intervention, enabling cost savings as we grow volumes.

The Number of Orders Shipped during the last 5 quarters were



Quarter	Orders
Q3 2016-17	1,019,290
Q2 2016-17	669,714
Q1 2016-17	623,299
Q4 2015-16	531,070
Q3 2015-16	767,186

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Gross Margin:

Particulars	Q3 FY 2016-17	Q3 FY 2015-16	Improvement (%)
Cost of Goods Sold (Inc. Shipping)	80.8%	80.7%	-0.1%
Gross Margin	19.2%	19.3%	

As the sales momentum continues to improve, we are continuing to see an improvement in Gross Margins from our existing products and suppliers. Our margin almost remains the same at 19.2% as compared to 19.3% Y-o-Y. As the sales momentum continues to improve, the overall Cost of Goods Sold will trend downwards as we derive benefits from economies of scale.

Inventory:

As on 31st December, 2016, Inventory at our fulfillment centers was Rs. 35.88 Cr.

Inventory Turnover, average (Trailing Twelve Months) improved to 11.4 from 10.7 in the previous quarter, reflecting fast moving and promotion driven inventory.

Additionally, Goods in transit as on 31st December, 2016 was Rs. 8.99 Cr.

Working Capital:

As on 31st December, 2016, Accounts Payable days (Trailing Twelve Months) for our E-Commerce Business stood at 16 Days down from 17 days in the previous quarter.

Accounts Receivable Days (Trailing Twelve Months) remained constant at 4 Days.

Accordingly, our working capital gap (Trailing Twelve Months) improved to -20 days from -21 days in the previous quarter and this gap will reduce at a faster pace in the coming quarters.

Our E-Commerce Business generated free cash flow of Rs 40.12 Cr. during the quarter, which would help the business to scale and take full advantage of the market opportunity.

Revenue per Employee:

Revenue per employee increased to Rs. 4.93 Cr (TTM Q3-FY17) from Rs. 3.43 Cr (TTM Q3-FY16) as we increased investments in our technology, leading to higher levels of automation. We expect gains in productivity to continue as automation and process optimization drive efficiencies.

CONFERENCE CALL

IntraSoft Technologies Limited will host a conference call to discuss the Quarterly & Nine Month ended Q3 FY2016-17 Financial Performance, on **Tuesday, February 7th, 2017 at 12.30 p.m. (IST).** Investors and participants can access the call by dialing either of the following access numbers.

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Access Numbers	
Primary Number:	+91 22 3960 0711
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 #262 on the Internet Retailers 2015 Top 500 list and is ranked #1,641 in Inc. 5,000 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

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

Mr. Shogun Jain
Investor Relations Advisors
Strategic Growth Advisors Pvt. Ltd.
Phone: 91-22-6114-6619 | Email: shogun.jain@sgapl.net

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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.

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