



IntraSoft Technologies Limited

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June 30, 2020

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 year ended on March 31, 2020.

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, 30 June 2020

INTRASOFT TECHNOLOGIES LIMITED REPORTS **RESULTS FOR Q4 & FY 2019-20**

IntraSoft Technologies Ltd. (BSE: 533181, NSE: ISFT) today announced its Results for the Quarter and Financial Year ended 31 March 2020.

COVID 19 Update

- Revenue increased from ~\$5.7 million in March 2020 to ~\$9.5 million in April 2020, a month on month increase of about 67%.
- During April-May 2020, we recorded revenues of ~\$18.5 million vs ~\$15.9 million in April-May 2019, an increase of about 16%.

While the COVID-19 pandemic has subdued commerce globally and especially strained small and medium-sized businesses, the industry has seen an acceleration in the shift of purchase habits to ecommerce. The COVID-19 Pandemic has highlighted the many differentiated advantages that we have built as an e-commerce company in the last few years. With lockdown orders in many states, we have seen strong acceleration in customer orders across all product categories.

As we execute on the plans we set in motion, we are making significant strides toward increasing marketing efficiencies, and gaining leverage on operating expenses. We remain confident in the success of our business as the shift of our category online accelerates and we continue to aggressively invest in our future.

Our investments in technology during the last 2 years have allowed us to scale during these unprecedented times despite facing supply-chain bottlenecks. We have been happy to support the brands that we partner with, increasing their dependence on us as our marketplace credentials & technological expertise spell reliability for the brands.

Our employees have adapted quickly and seamlessly to new processes and protocols to continue to serve strong demand, while keeping our customers, employees, and communities safe. With a focus on safety & well-being, our teams will continue to work remotely for the foreseeable future, as our teams, both in the US & India, are well equipped to work remotely as our technology scales on the cloud.

We believe that we have taken into account all the possible impacts of known events arising from the COVID-19 pandemic. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its duration. We will continue to monitor any material changes to future economic conditions and will revisit our strategy once life returns to normal and based on the impacts this crisis leaves on shopping behavior. We look ahead with a mix of caution and optimism.

Q4 FY 2019-20 HIGHLIGHTS: (All comparisons are with Q4 FY 2018-19 figures)

- Operating Cash Flow of the E-Commerce business for the Quarter was \$(1.26) million, as against \$(0.09) million during the same quarter last year.
- Revenue from operations was \$16.83 million as compared to \$23.83 million.

FY 2019-20 HIGHLIGHTS: (All comparisons are with FY 2018-19 figures)

- Operating Cash Flow of the E-Commerce business for the Year was \$(0.39) million, as against \$2.72 million during last year.
- Revenue from operations was \$82.03 million, as against \$118.16 million.

MANAGEMENT'S STATEMENT ON THE E-COMMERCE BUSINESS

"With the end of FY20, we have completed the process of optimizing our brand portfolio that we had set out to do at the end of FY18. In these 2 years, we have also made great progress in our technological infrastructure allowing us to scale our business in the years to come," said Arvind Kajaria, Managing Director.

"In FY21, we will continue to strengthen this technology to continually better serve our brand partners and will invest towards growing our business.

We are ready to serve the strong demand as more and more shoppers go online. This pandemic has acted as a catalyst in increasing online penetration. It will have long-term implications on shopper behaviour and the reliance of brands on the online retail channel."

Revenue

Revenue from operations for the Quarter was \$16.83 million as compared to \$23.83 million. For the Financial Year, it was \$82.03 million, as against \$118.16 million.

"The lower level of revenue was the result of a conscious evaluation and optimization of our brand portfolio, to bring it in line with our supply-chain benchmarks. Supply-chain disruptions, caused by the declarations of lockdown in the second-half of March, further impacted topline."

Operating Cash Flow

Operating Cash Flow of the E-Commerce business for the Quarter was \$(1.26) million, as against \$(0.09) million during the same quarter last year. For the Financial Year, it was \$(0.39) million, as against \$2.72 million.

Accounts Payable at the end of 31 March was \$3.36 million, as compared to \$4.18 million same time last year, a reduction of \$0.82 million, as a result of the decrease in revenues. However, Accounts Payable Days increased to 20.0 days from 15.3 days last year, as a result of optimizing our brand portfolio, indicative of the brands' underlying need for our services.

Inventories at the end of 31 March was \$16.25 million, as compared to \$14.33 million same time last year, reflecting an increase of \$1.92 million. Inventories at the end of 31 December 2019 was \$14.90 million, so the majority of the increase was during the Jan-Mar Quarter. The second-half of March saw US States declaring lockdown leading to temporary supply-chain disruptions, which led to rise in inventories. As US States have started re-opening in May & June, and continue to move to normalize operations, these disruptions will get removed and inventories will come back to normal.

Accounts Receivable at the end of 31 March was \$0.27 million, as compared to \$1.57 million same time last year, a reduction of \$1.30 million. This reflected approximately 3.6 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 in the United States of America. Accordingly, the updates for E-Commerce reflect the consolidated performance of the E-Commerce division only, and not the consolidated operations of IntraSoft Technologies Ltd.
2. Accounts Payable reflects amounts due to our suppliers, carriers, fulfillment partners & payment services.
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 Notes 2 & 3 above.



Scan this QR code to
download Audited
Financial Results for
the Quarter and Year
Ended 31 March 2020.

ABOUT INTRASOFT TECHNOLOGIES LIMITED:

IntraSoft Technologies Limited owns & operates 123Stores, an 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 marketplace data to create a compelling selling platform. 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:

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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.