



IntraSoft Technologies Limited Announces 57% Growth In revenues For Q2 FY2013
Published on IntraSoft Technologies Limited (<http://www.itlindia.com>)

PRESS RELEASE



Kolkata, November 9, 2012

INTRASOFT TECHNOLOGIES LIMITED ANNOUNCES 57% GROWTH IN REVENUES FOR Q2 FY2013

IntraSoft Technologies Ltd (BSE: 533181, NSE: ISFT), owners of one of the largest electronic greetings website <http://www.123greetings.com>, today announced its unaudited consolidated financial results for the second quarter ended September 30, 2012.

Q2 FY2013 HIGHLIGHTS: (All comparisons are with Q2 FY2012 figures)

Total Income at Rs. 2088 lacs up by 57% from Rs. 1326 lacs

OPERATIONAL PERFORMANCE HIGHLIGHTS

- 123Greetings Store, the online gifting e-commerce business, witnessed tremendous growth. During the quarter, a total of 36,240 orders were shipped compared to 24,931 orders in the corresponding quarter of last year, averaging approx 403 orders / day.
- 123Greetings Store expanded its product catalog significantly and during the quarter 110,447 products were listed on its websites & various marketplaces. The Company had an active base of 314 vendors as compared to 108 vendors in the corresponding quarter of last year.
- 123Greetings Ecards continued to maintain traction and witnessed an addition of 667 new cards in the quarter.
- 123Greetings Connect, a value added service saw the total number of registered users at 1,894,613 as on September 30, 2012, recording a growth of 32% compared to corresponding quarter of last year.



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- 123Greetings Studio saw the total number of registered users at 18,567 as on September 30, 2012, recording a growth of 53% compared to corresponding quarter of last year.
- The Company has invested over Rs. 27 Crores in technology infrastructure to strengthen its proprietary backend software & systems during the last 18 months. This investment will generate further revenues in the coming quarters.

Q2 FY2013 CONDENSED FINANCIAL STATEMENT OF OPERATIONS

Total Income:

(Rs. in Lacs)

	Q2 FY 2013	Q2 FY 2012	Growth (%)
Total Income	2,087.85	1,326.39	57.41%

The Company generates revenue primarily from online advertising sales & online retail sales.

The growth in Total Income was led by an increase in online retail sales, as the Company expanded its product catalog by adding a large number of new vendors during the quarter. During the quarter the Company had listed 110,447 products on its websites & various marketplaces. The Company had an active base of 314 vendors as compared to 108 vendors in the corresponding quarter of last year.

Additionally, the investments made by the Company in its technology infrastructure has started yielding impressive results. The Company has been able to scale its operations to handle the additional order volume seamlessly.

Expenditure:

(Rs. in Lacs)

	Q2 FY 2013	Q2 FY 2012	Growth (%)
Product & Content Development	1252.84	608.35	105.94 %
Sales and Marketing Expenses	247.62	189.57	30.62 %
General and Administrative Expenses	150.60	82.61	82.30 %
Employees Cost	122.23	96.47	26.70 %

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Depreciation	196.51	52.94	271.19 %
Total Expenditure	1,969.80	1029.94	91.25 %

The Company experienced growth across all its product lines and accordingly increased spend on Product & Content Development, Sales & Marketing Expenses as well as General and Administrative Expenses. All of them are aligned to the Company's growth in Total Income.

The Employees cost increased during the quarter due to increase in number of employees on account of growth in the Company's business operations.

Depreciation expenses have increased significantly during the quarter due to the additional investments made in the technology infrastructure during the last 2 years, the purchase of the office premises as well as new furniture and fixtures. The Company will have to bear a higher depreciation expense over the next few quarters till the same is balanced out. Being a non-cash expense, this will not have any adverse impact on the Company's operations.

Operating EBITDA:*(Rs. in Lacs)*

	Q2 FY 2013	Q2 FY 2012	Growth (%)
Operating EBITDA	314.56	349.39	-9.97%

Operating EBITDA is defined as Total Income less Total Expenditure, without considering Other Income, Depreciation and Interest. The Company tracks Profit from Operations as a measure of core performance of its business activities.

The Operating EBITDA for the quarter decreased to Rs. 314.56 Lacs as compared to Rs. 349.39 Lacs in Q2 FY 2012.

Operating EBITDA fell marginally during the quarter as the Company continued to invest in building up its operations to be able to service higher volumes. This resulted in higher costs incurred on additional infrastructure, manpower & systems.



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MANAGEMENT'S STATEMENT:

Commenting on the results, Mr. Arvind Kajaria said, "We are pleased to present our results for the quarter ended 30th September, 2012. The performance of the 2nd quarter highlights the continued success of our E-commerce business despite a challenging macro environment. The quarter saw an all round growth in vendor tie up, products offered, products shipped and positive feedback from customers. The relentless drive towards automation continued to ensure scalability in the years to come. As we continue to commit ourselves deeper to this business, we are confident of achieving higher top-line and bottom-line in the coming quarters.

The greetings business continues to do well with all round growth in our products like Studio, Connect and Invites. Our mobile strategy is on path and we should be launching shortly.

The Company saw a significant growth in its Total Income, while profit from operations was slightly down. This was mainly due to the Company having to bear higher depreciation expenses, which is expected to continue over the next few quarters till the same is balanced out and accordingly the PAT will be under pressure due to the increased depreciation on the investments made during the previous year. Being a non-cash expense, this will not have any adverse impact on the Company's operations", concluded Mr. Kajaria.

ABOUT 123GREETINGS:

123Greetings is the world's leading online destination for human expressions reaching over 91 million unique users annually. Drawing from its tag line "Giving Life to your Expressions" the service inculcates a sense of personalization that relates to the users on an emotional level. Its offering of over 20,000 greeting cards covers a mix of 3,000 seasonal & everyday categories. Its applications & widgets for social networks & blogs allow users ubiquitous access across multiple devices and platforms.

ABOUT INTRASOFT TECHNOLOGIES LIMITED:

IntraSoft Technologies Limited owns and operates <http://www.123greetings.com>, one of the most visited electronic greeting cards website in the world. The Company operates through its wholly owned subsidiaries in various geographies, which are 123Greetings.com,Inc.(USA), One Two Three Greetings (India) Pvt. Ltd. (India) & 123Greetings (Singapore) Pte Ltd. (Singapore).



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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

Registered Office: A-502, Prathamesh, Raghuvanshi Mills Limited Compound,
Senapati Bapat Marg, Lower Parel, Mumbai 400 013

UN-AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER
AND HALF YEAR ENDED 30TH SEPTEMBER, 2012

Total Income up by **57%**

₹ In Lakhs						
PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30/09/2012	30/06/2012	30/09/2011	30/09/2012	30/09/2011	31/03/2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Income						
a. Income from Operations	2087.46	1802.04	1315.14	3889.50	2403.22	6627.84
b. Other Operating Income	0.39	23.06	11.25	23.45	10.15	0.00
Total Income from Operations	2087.85	1825.10	1326.39	3912.95	2413.37	6627.84
2. Expenditure						
a. Product & Content Development	1252.84	1144.03	608.35	2396.87	1088.07	3389.51
b. Sales and Marketing Expenses	247.62	238.43	189.57	486.05	342.37	951.35
c. General and Administrative Expenses	150.60	85.38	82.61	235.98	265.08	509.56
d. Employees Benefit Expenses	122.23	173.57	96.47	295.80	242.57	428.04
e. Depreciation	196.51	180.71	52.94	377.22	86.65	277.03
Total Expenditure	1969.80	1822.12	1029.94	3791.92	2024.74	5555.49
3. Profit from Operations before Other Income, Finance Costs and Exceptional Items (1 -2)	118.05	2.98	296.45	121.03	388.63	1072.35
4. Other Income	90.40	90.92	137.92	181.32	276.26	564.10
5. Profit before Finance Costs & Exceptional Items (3+4)	208.45	93.90	434.37	302.35	664.89	1636.45
6. Finance Costs	22.01	12.42	6.66	34.43	24.87	46.73
7. Profit before Exceptional Items (5-6)	186.44	81.48	427.71	267.92	640.02	1589.72
8. Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00
9. Profit from Ordinary Activities (7-8)	186.44	81.48	427.71	267.92	640.02	1589.72
10. Tax Expense (including excess/short provision w/back)	62.55	55.37	130.97	117.92	190.53	491.00
11. Net Profit from Ordinary Activities after tax (9-10)	123.89	26.11	296.74	150.00	449.49	1098.72
12. Extraordinary Item (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
13. Net Profit for the period (11 +/-12)	123.89	26.11	296.74	150.00	449.49	1098.72
14. Paid-up Equity Share Capital of ₹ 10/- each	1473.17	1473.17	1473.17	1473.17	1473.17	1473.17
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						9386.60
16. Earnings Per Share (EPS) (₹) Basic and diluted EPS before and after Extraordinary items	0.84	0.18	2.01	1.02	3.05	7.46
17. Particulars of Shareholding						
i. Public shareholding						
- Number of shares	5981664	5981664	5981664	5981664	5981664	5981664
- Percentage of shareholding	40.60	40.60	40.60	40.60	40.60	40.60
ii. Promoters and Promoter Group Shareholding						
a) Pledged /Encumbered						
- Number of shares	0.00	0.00	0.00	0.00	0.00	0.00
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00	0.00	0.00	0.00	0.00	0.00
- Percentage of shares (as a % of the total share capital of the company)	0.00	0.00	0.00	0.00	0.00	0.00
b) Non - encumbered						
- Number of shares	8750014	8750014	8750014	8750014	8750014	8750014
- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
- Percentage of shares (as a % of the total share capital of the company)	59.40	59.40	59.40	59.40	59.40	59.40

STANDALONE INFORMATION

PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
	30/09/2012	30/06/2012	30/09/2011	30/09/2012	30/09/2011	31/03/2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue	513.02	406.22	452.68	919.24	845.73	2139.10
Profit before tax and exceptional items	144.77	88.63	405.01	233.40	612.43	1582.08
Profit after tax and exceptional items	83.26	33.65	274.45	116.91	422.60	1093.14

PARTICULARS		Quarter ended 30/09/2012	
18. Investors Complaints			
Pending at the beginning of the quarter		0	
Received during the quarter		0	
Disposed of during the quarter		0	
Remaining unresolved at the end of the quarter		0	

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Un-Audited Financial
Results for the
Quarter Ended
30th September, 2012.

STATEMENT OF ASSETS AND LIABILITIES

	As at	
	30/09/2012 (Unaudited)	31/03/2012 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders Funds		
a) Share Capital	1473.17	1473.17
b) Reserves & Surplus	9459.63	9386.60
(2) Non-current Liabilities		
a) Long-term Borrowings	0.00	9.00
b) Deferred Tax Liabilities (Net)	664.79	537.87
c) Other Long term Liabilities	39.13	33.10
d) Long-term Provisions	31.49	33.15
(3) Current Liabilities		
a) Short-term Borrowings	2645.00	2532.50
b) Trade Payables	73.24	129.76
c) Other Current Liabilities	580.73	559.92
d) Short-term Provisions	0.83	172.05
TOTAL	14968.01	14867.12
II. ASSETS		
(1) Non-current Assets		
a) Fixed Assets	7483.86	6670.86
b) Non-current Investments	3969.90	3469.19
c) Long-term Loans and Advances	59.99	61.56
(2) Current Assets		
a) Current investments	0.00	715.73
b) Inventories	380.51	369.71
c) Trade receivables	675.26	775.07
d) Cash and bank balances	420.09	560.83
e) Short-term loans and advances	1852.25	2080.49
f) Other current assets	126.15	163.68
TOTAL	14968.01	14867.12

NOTES :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on November 9, 2012. The Statutory Auditors have carried out Limited Review of the Un-Audited Financial Results of the Company.
- As per the requirements of AS-17 issued as per Companies (Accounting Standards) Rules, 2006, no disclosure is required as the Company is operating in single business /geographical segment of Internet based delivery of services.
- The Consolidated Financial Results include the results of the Company's Wholly Owned Subsidiaries, viz. :-
 - 123Greetings.com, Inc. (USA)
 - 123Greetings (Singapore) Pte. Ltd. (Singapore)
 - One Two Three Greetings (India) Pvt. Ltd. (India)
- The position of IPO proceeds and utilisation thereof vis-à-vis the 'Object of the Issue', as amended and approved by Shareholders' at AGM held on 29th September, 2011, up to 30th September, 2012 is as follows :
 - Funds raised through IPO : ₹ 5365.00 Lakhs
 - b) IPO Expenses : ₹ 524.04 Lakhs
 - c) Net proceeds through IPO : ₹ 4840.96 Lakhs
 - d) Utilisation as per Objects of issue and amendments thereof: ₹4797.97 Lakhs
 - e) Balance funds unutilised : ₹ 42.99 LakhsThe unutilised funds were invested in MFs and balance in Company's current bank account
- The Unaudited Standalone and Consolidated financial results of the Company for the quarter ended 30th September, 2012 are available on the Company's website www.itindia.com
- Depreciation for the quarter is not comparable with the corresponding quarter of the previous year as previous year numbers are net of reversal of cumulative depreciation necessitated due to change in depreciation policy. During the quarter depreciation increased, in comparison with corresponding quarter of previous year, due to addition in tangible and intangible fixed assets during the quarter and last four quarters.
- Previous quarters' / year's figures have been regrouped / rearranged wherever considered necessary.

For IntraSoft Technologies Ltd.
Sd/-
Arvind Kajaria
Managing Director

Place: Kolkata
Dated: 9th November, 2012