



**123  
Greetings**

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IntraSoft Technologies Limited

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Annual Report 2009-10

# Lever@ging the internet



# 15th Annual Report



## Board of Directors

Arvind Kajaria	- Managing Director
Sharad Kajaria	- Whole Time Director
Vishal Agarwal	- Independent Director
Amitava Ghose	- Independent Director
Deepak Kanabar	- Independent Director
Rupinder Singh	- Independent Director

## Auditors

M/s K.N.Gutgutia & Co.  
Chartered Accountants,  
Kolkata

## Company Secretary & Compliance Officer

Rajendra Kumar Chotia

## Registrar and Share Transfer Agents

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound, L.B.S Marg,  
Bhandup (W), Mumbai – 400 078  
Tel: 91-22-2594-6970, Fax: 91-22-2594-6969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Bankers

- 1.HDFC Bank Ltd.
- 2.Indian Overseas Bank
- 3.Union Bank of India

## Registered Office

502A, Prathamesh, Raghuvanshi Mills Compound,  
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013  
Tel: 91-22-2491-2123, Fax: 91-22-2490-3123

## Corporate Office

145, Rash Behari Avenue, 5th Floor,  
Kolkata - 700 029  
Tel: 91-33-2464-3306, Fax: 91-33-2464-6584  
Email: [intrasoft@itlindia.com](mailto:intrasoft@itlindia.com)



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A young couple is shown in a close-up, joyful embrace outdoors. The woman, with brown hair and a red tank top, is leaning over the man, laughing with her mouth wide open. The man, with brown hair and a beard, is also laughing heartily. They are both looking towards the camera. The background is a soft-focus green field with trees in the distance. The overall mood is happy and carefree.

*Giving  
life to your  
expressions*



Managing Director's

Message

*From the helm*

*"We expect to increase traffic and revenues on our website without a corresponding increase in costs while extending into multiple technologically-driven businesses that generate incremental revenues streams."*

Arvind Kalaria, Managing Director



Dear Shareholders,

It gives me pleasure to communicate for the first time with our broad public shareholding following our successful Rs. 5,365 lakhs IPO that was over-subscribed 18.12 times in April, 2010.

### Business model

Our Company provides electronic greeting cards that express diverse human emotions. Since these e-cards are provided free to users, our website has grown in popularity and is now the second largest in the world in terms of unique visitors. Over the years, the increasing traffic widened our opportunity to generate website advertising revenues. In line with our traffic growth, our consolidated revenues grew from Rs. 1,493.60 lakhs in 2004-05 to Rs. 3,090.11 lakhs in 2009-10, generating a 15.65 percent CAGR in the five years leading to the year under review.

The time has come to make a quantum leap in the number of visitors accessing our site and corresponding revenues. The proceeds from our IPO will facilitate just this: we will invest in traffic generating initiatives and the emerging revenue opportunities. We expect to report positive developments in this regard in the current year.



### Other growth avenues

The Company embarked on a number of initiatives to enhance website traffic and strengthen brand recall.

**123Greetings Studio:** This initiative intends to extend the website from an English-centricity to other languages and cultures, widening traffic. This concept will provide artists with a platform to design and place cards, draw in richly diverse creativity on the one hand and creating income opportunities for the artist owning the copyright on the other. Besides, we expect to increase card categories from 3,000 to 5,000 in a couple of years, reinforcing our position as the preferred global expressions website.



**Online gifting solutions:** The Company sees advantages in leveraging its internet capabilities. The company is expanding the online gifting solutions, a space synergic with its existing business – both being forms of expression.

The Company leverages its successful, decade old track record and the globally renowned brand recall of its portal 123greetings.com for attracting global brands. Online gifting currently showcases many global brands, which we expect to more than double in the years to come. This would enable us to monetise traffic and create additional high-value revenue verticals for the Company.

**E-invitations:** The Company is evaluating the launch of this feature which allows users to send customised event invitation cards that provide information on venue, guest list, menu and likely weather conditions. This is expected to increase traffic and revenues.





### What we are

We are a technology-driven Company with a rapidly widening userbase that can be viewed 24x7 across the globe. A technology-evolving environment requires sizeable investments to stay contemporary. However, we have strengthened our viability across the decade through an asset-light strategy in the following ways:

- We converted high capital costs into relatively low operating costs (pay-per-use policy) by leveraging the cloud technology.
- We invested in economical, shared and dependable infrastructure as opposed to expensive direct ownership.
- We created technology-based systems and processes around the open source platform (allows us to use software which are available at low costs).
- We ensured that we featured first across search engines in the 'e-cards' category without spending large sums of money.

Estimates suggests that the overall cost structure (including interest, depreciation and tax) is attractively lower than the prevailing average for others with a similar business model, reinforcing our competitive edge.

### Shareholder value

Over the foreseeable future, we expect to increase traffic and hence, revenues on our existing website without corresponding costs while extending into multiple technologically-driven businesses that generate incremental revenues streams.

The combination of the two is likely to translate into enhanced shareholders value.

### Our strengths

**Leadership:** Our website was the second largest (by unique visitors) electronic greeting cards website in the world with 90,838,652 unique visitors from April, 2009 to March, 2010.

(Source: comScore Media Metrix)

**Brand:** 123greetings.com is an established brand with advertisers comprising major US and India-based organisations from entertainment, retail, information technology and internet verticals. Our website enjoys a daily average of 399,250 visitors, enhancing opportunities for advertisers.

**Experience:** We possess 13 years of experience and standing in the business, resulting in enduring relations with advertisers and customers.

**Footprint:** Our website is accessed by millions across 238 countries.

**Customised:** We provide customised e-card content that captures expressions identifiable with diverse cultures, values, religions and emotions.

**Technical edge:** Our technical team designs and delivers flexible systems to deploy newer services within shorter time frames. Our technological infrastructure, cloud-compatible applications and scalable systems provide us with the flexibility of catering to varying traffic levels. Our technological expertise also permits us to add audio and animation content which enhances user experience and also host several advanced advertisement formats.

**Low-cost model:** We created a low-cost business model where large capital expenditure is converted into operating expenditure and systems and processes are built using open-source architecture.





# 3000

*ecard*

# categories







*Directors'*

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Report



## Dear Shareholders,

The Directors of Intrasoft Technologies Limited (ITL) take pleasure in presenting the 15th Annual Report on the operations of the Company, together with the audited accounts for the year ended 31st March, 2010.

## Financial Results

(Rupees in Lakhs)

Particulars	Consolidated		Standalone	
	2009-10	2008-09	2009-10	2008-09
Total Income	<b>3,090.11</b>	2,335.15	<b>1,812.18</b>	1,052.44
Profit before Interest and Depreciation	<b>1,115.55</b>	659.04	<b>1,105.86</b>	636.57
Less: Interest	<b>29.68</b>	6.46	<b>19.57</b>	0.91
Depreciation	<b>181.73</b>	98.41	<b>178.41</b>	94.57
Profit before Tax	<b>904.14</b>	554.17	<b>907.88</b>	541.09
Less : Income Tax Expenses, net (including FBT)	<b>21.30</b>	21.35	<b>19.19</b>	18.29
Profit after Tax	<b>882.84</b>	532.82	<b>888.69</b>	522.80
Add: Balance brought forward	<b>603.20</b>	745.36	<b>613.04</b>	765.22
Amount available for appropriations	<b>1,486.04</b>	1,278.18	<b>1,501.73</b>	1,288.02
Appropriations:				
Interim Dividend	<b>110.49</b>	-	<b>110.49</b>	-
Proposed Final Dividend	<b>110.49</b>	-	<b>110.49</b>	-
Dividend Tax	<b>36.70</b>	-	<b>36.70</b>	-
Transferred to General Reserve	<b>100.00</b>	674.98	<b>100.00</b>	674.98
Balance carried to Balance Sheet	<b>1,128.36</b>	603.20	<b>1,144.05</b>	613.04
Earning Per Share (Basic and Diluted in Rs.)	<b>8.00</b>	4.83	<b>8.06</b>	4.74

## Financial Review

During the financial year under review, the consolidated net profit grew at 65.69% to Rs.882.84 lakhs in the current year compared to Rs.532.82 lakhs in the previous year. The Company's consolidated EPS for the year is Rs.8.00 as against Rs. 4.83 for the previous financial year. During the financial year 2009-10, the company achieved total consolidated revenues of Rs.3,090.11 lakhs.

## Dividend

Considering the performance during the financial year and to appropriately reward the members while conserving the resources to meet the future requirements, the Board of Directors had declared and paid an interim dividend of Rs.0.75/- per Equity Share (7.50%) and the Board recommends a final dividend of Rs.0.75 per Equity Share (7.50%) thus making the total dividend of 15% for the year as against Nil dividend in the previous year.

## Shifting of Registered Office of the Company

During the year under review, the Registered office of the Company was shifted from "145, Rash Behari Avenue, 5th Floor, Kolkata – 700029" to "502A, Prathamesh, Raghuvanshi Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013." The Company has obtained necessary approvals from Company Law Board, Eastern Region Bench.