



IntraSoft Technologies Limited  
Annual Report 2020-21



POWERING WHAT'S

next

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### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# POWERING WHAT'S next

At Intrasoftware, we have endured and excelled on account of a singular capability.

We have consistently invested in the future.

Our investments in technology applications and services have empowered a range of clients to strengthen their businesses.

A large number of our clients now possess the confidence that their businesses are future-proofed by our technology-intensive applications.

The result is that we do not just drive what exists; we power what's next.





# The exciting world

of IntraSoft  
Technologies Limited



## Team

Our team comprises competent and skilled professionals with extensive industry experience. Our human capital is our most valuable asset, the driving force responsible for the marketplace expertise we have acquired and for the technology-driven solutions we have developed.

## Logistics

We streamline the order fulfillment process by combining the efficiency of national carriers with the reach of local carriers; we offer our brand partners the benefits of scale. Our technology enables data tracking and analytics to forecast delays, improve accuracy, and enhance delivery estimates to marketplace customers, resulting in a benchmark service experience.

## Brand partner focus

For our brand partners (clients using our technology), we provide a seamless platform to enhance online presence, drive sales and increase brand awareness across diverse product categories. This gives them the freedom and flexibility to focus on their core competence – product development. We seek to attract new brand partners by providing solutions that enable them to grow their e-commerce business rapidly and cost-effectively. We utilize our advanced technology and credentials to deliver quality end-to-end solutions tailored to meet our brand partners' unique needs that enable them to rise to their full potential.

## Marketplace integration

Our technology integrates with the back-end systems of marketplaces, resulting in seamless transactions. This enables us to analyze data in real-time and respond with the right solutions. The consistently strong reviews and ratings given to us by the marketplace customers is a testimony to our efficiency.

## Marketplace customers

We believe in the importance of real-time customer assistance and strive to provide a seamless experience to marketplace customers each time we serve them. Our dedicated customer service team works round the-clock to assist customers from the time they place an order to the time the product is delivered.

## Our ethos

We are convinced that 'when what you believe in is in tune with what you do, success follows the way.'

### Passion & profession go hand in hand:

We believe in being passionate about everything we do. We take every day as if it were our first and give it our best shot. We believe excellence can only be achieved through passion.

### Learning is a constant:

We believe in the power of constant learning. In today's dynamic world, we strive to keep ourselves updated about our ecosystem. We see mistakes as learnings and use them only to improve further.

### Imagination leads to innovation:

We are creative thinkers and believe that is the key to innovate and improve the little and big things. We push the frontiers of what we believe is possible and find ways to achieve it.

### A happy customer is the key to success:

We believe that a happy customer means a relationship that lasts forever. We keep our customers at the forefront of every thought and action; we strive to make every interaction seamless.

### Live in the present:

We are hands-on with everything we do and take one step at a time. We dig deep into our ideologies and processes and come up with scalable solutions. We believe that living for today will lead to a brighter tomorrow.



# Letter from the Managing Director





## Dear shareholders,

I trust that each one of you is safe and healthy in these challenging times.

Over this past year, we prioritized the health and wellbeing of our team members and their families by embracing the work-from-home approach without compromising the standards with which we serviced our customers. We created an architecture that empowered our team to operate remotely with even greater efficiency. Our prudent investments in our digital infrastructure over the past few years fructified during these unprecedented times.

The result was that instead of the pandemic proving to be a setback, it proved business-strengthening. The Company's responsiveness generated customer goodwill; the Company rose to the occasion by helping take the business of its various customers ahead at a time when revenues

appeared under threat. This validated our positioning as a company that is committed to the well-being of its ecosystem.

We believe that IntraSoft is at the right place at the right time. As consumers shift purchases online, especially in the home and garden category, we are poised to address this growth on account of our category focus and are more optimistic than ever of the opportunities ahead.

At IntraSoft, we believe that there has never been a moment when our business model has been more relevant than it is now. Over the years, our business model delivered solutions that enhanced the competitiveness of our partners, empowering them to focus on their core business - product development - while we took care of their sales online. The result is that we have become integral to the success of our partners. We believe that as a result of this ongoing engagement, the Company has strengthened its sustainability. This year reinforced our conviction in the Company's capabilities and we believe that our relationship with partners will only deepen going forward.

Our operating cash flows increased from (USD 0.39) Million to USD 4.15 Million year-on-year. This is a reflection of the successful implementation of our strategic intent to optimize our brand portfolio to align them to our operational benchmarks.

Looking ahead, I am increasingly optimistic about the continued growth of our Company, given our differentiated capabilities and customer-centric approach.

The e-commerce industry is growing faster than ever; there is a greater propensity of buying online; there is a widening need for a supporting fulfillment centre; products need to be delivered faster and more cost-effectively. Being an early entrant, we established a significant presence in this robust space and are excited to address the immense opportunities in the years ahead.

**Arvind Kajaria**  
Managing Director



This is an inflection point  
in how people shop  
today and how they will  
shop in the future





### At IntraSoft, we believe that our inflection moment has arrived.

Even as e-commerce has been in existence for more than two-and-a-half decades, we believe it is only now that it has arrived at an inflection point.

During the last financial year, following the outbreak of the coronavirus pandemic, there were restrictions on the free movement of people, which affected their ability to visit stores and malls. This prompted millions of consumers to shift their purchases online, creating the most decisive transformation in market dynamics in years. This transformation was driven by a convergence of forces, including cost savings, better product offerings, transaction ease and, most importantly, safety.

Even though it is early days to pronounce a definitive judgment, there is an unmistakable indication of where the consumers of tomorrow are headed.

The US e-commerce market has already reached market share levels that had been forecast for 2022, indicating that the market is growing faster than expected. According to the Department of Commerce, e-commerce represented 13.4% of total retail spending in Q1 2021 (before the pandemic, it was expected to be 12.3%). (Source: Marketplace Pulse)

The compression of the growth of two years into one was achieved despite lockdowns and store closures; the decreased overall retail spending resulted in a larger e-commerce penetration and market share.

E-commerce penetration is expected to grow from nearly USD 800 Billion in sales in 2020 to USD 1 trillion in 2022, a figure that may not have been earlier achieved until 2024 as per industry experts. (Source: Marketplace Pulse)

The acceleration is on account of a fundamental change in the way the consumer is responding to reality.

The modern-day consumer would rather shop online from a trusted marketplace that provides choice, ranking and a recommendation; the focus is on saving money, time and effort. The modern-day consumer would rather trust the credibility of a third-party seller that has been validated from the feedback of previous buyers across thousands of transactions.

The modern-day consumer would rather buy from a marketplace where their opinion on the quality of product or service that they received will be sought, respected, logged, measured

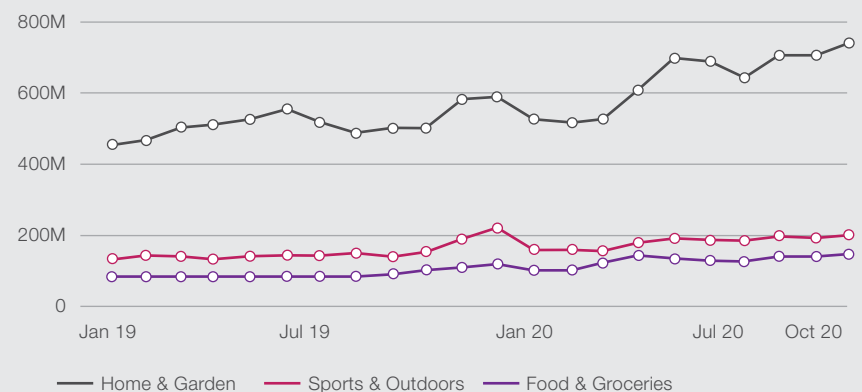
and showcased, making them an influential part of every customer journey, irrespective of their purchase volume.

At IntraSoft, we are proud to play an important business-enhancing role for our clients through a technology-backed service directed at enriching the stakeholder experience.

**Even as e-commerce has been in existence for nearly two-and-a-half decades, we believe it is only now that it has arrived at an inflection point.**

### Consistently rapid growth of the Home and Garden category

Fastest-Growing Ecommerce Categories by Traffic  
Country: US



Average annual traffic in the US e-commerce market grew by 30%. Home & Garden, Food & Groceries, and Sports & Outdoors were the three fastest growing e-commerce categories in 2020. (Source: Semrush)

The global pandemic directly catalyzed their growth, strengthening the demand for products within each category.

We believe that the future of our Company is promising given our competitive advantage in the Home & Garden category, validated by the year-on-year growth demonstrated by this category.

# The growth of e-commerce represents a robust foundation for sustainable growth

