

TRANSCRIPT OF THE 28th ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 26th SEPTEMBER, 2023

Moderator of INSTAMEET Portal:

Good afternoon ladies and gentlemen. Welcome to the 20th Annual General Meeting of Interest of Technologies Limited. Now I hand over the proceedings to the company secretary. Over to you sir.

Company Secretary says:

Hello gentlemen. On behalf of interest of Technologies Limited, I'm engaged in company secretary of the company. Welcome you all at the 20th annual general meeting of the company. Before we commence, I would like to inform you that according to the various circulars by, uh, ministry of Corporate Affairs, enabling companies to convene their annual general meeting through video conferencing more, it is decided to conduct the 20th annual general meeting of the company through VC mode only. This, conference is a two-Way conference made available to the shareholders of the company to attend the annual general meeting. The facility to join the meeting will be open up to 15 minutes from now on. That will be available up to 3.15 P.M. The members attended the meeting through VC, they will be counted as quorum for the meeting as the appointment of proxy is not allowed. , that will not be considered. Corporate members who have sent their representations through a proper, board resolution to the company or to RTA or to the scrutinize will be considered as per the provisions of the company's act. All the members joining this meeting are by default placed on mute mode and they won't be able to speak up. This is to avoid background noises and for smooth and seamless conduct of the meeting.

Company Secretary says:

During the meeting, if members have any technical issue, they can contact helpline number of the LinkedIn time India Limited. That number is 022- 249186000. Since the A GM is through video conferencing mode. And the resolutions, mentioned in the notice were put to the, the E-voting and, uh, voting is also available during the A GM. There would not be any proposing or seconding of the resolutions. The statutory registers as required as per the Company's Act are available for inspection for the members of the company on our website, www.itlindia.com in statutory documents section on our website. So, members can visit the website and have an inspection. I will now introduce the board members and other panelists. Today we have Mr. Arvind Kajaria, Chairman and Managing Director of the company, Mrs. Savita Agarwal, an independent director, and Chairperson of our audit committee.

Mr. Rupinder Singh is there is an independent director and Chairman of Nomination and Remuneration Committee of the Company. Mr. Anil Agarwal is there, who is an independent director and Chairman of, the Stakeholders and Relationship Committee of the company. Mr. Ashish Arun is there who is an independent director. Mr. Ashish Sikaria is there. He is a representative from our statutory auditors we have Mr. Jayesh Shah, who is our Secretarial auditor and also a Scrutinizer for the voting process. In relation to this annual general meeting. Mr. Sharad Kajaria could not join the meeting due to some last moment engagements. and myself Pranvesh Tripathi, Company Secretary of the Company.

Company Secretary says:

I now request the chairman Sir Mr. Arvind Kajaria to take over proceedings of the meeting.

The Chairman says:

Thank you Mr Tripathi.

Dear shareholders, welcome to the 28th annual General Meeting of the Company being held according to the circulars and guidelines issued by the MCA and SE recently in the year 2022-2023

This AGM is being held through video conferencing. On behalf of the board of directors, I would like to thank you for joining us today. I hope you've had the opportunity to go through annual report for 2022-2023, which is a reflection of our performance on the operational and financial fronts and shows our relentless commitment towards empowering growth and strides we took in the previous financial year to maintain sustainable growth, since a majority of our business is in the US I would like to talk a little bit about the US economy.

The Chairman says:

The USA had witnessed a GDP of 2.1% in 2022, a weaker annual growth than in 2021, which had been the strongest since 1984 (@ 5.7% in 2021). The economic outlook improved in the second half of 2022, following two quarters of negative growth in the first half. Momentum has carried over into early 2023. The U.S. economy, as measured by real GDP, has expanded at an estimated 2.0 to 2.4% annualized pace through the first half of the year 2023. While business sentiment was downbeat and business investment (inventory, equipment) was slow to start the year, there are indications this might be turning the corner. Consumer spending— which drives 65% of GDP— has been resilient throughout. If consumer spending moderates in the second half, growth could slow to low levels by early next year. As inflation and interest rates abate in 2024, we expect consumption to begin to expand once more.

Inflation rose 8% in 2022, the highest annual level in four decades. It slowed to 5% in March 2023, building on a trend of moderating price increases that started after a peak of 9.1% was reached in June 2022. Due to uncertainties in Core inflation, which excludes volatile energy and food categories, 2022 saw a major ups and downs and overall underlying price pressures remain elevated.

The US E-commerce sales reached \$ 1.03 trillion during the year 2022 and thus passing \$ 1.00 trillion first time ever. This remarkable level of sales comes from a slight bump into e-commerce penetration to 21.02% from the 21.00% of previous year.

The Chairman says:

Despite the supply bottlenecks and other constraints, e-commerce sales grew 7.7% in 2022, Y-O-Y basis. E-commerce sales growth in 2022 was stayed slightly higher than the total retail sales growth of 6.8% that the US Commerce Department reported in 2022. That's the closest yearly total sales growth has come to reach reported e-commerce sales growth since the Commerce Department has started tracking online sales. On a three-year basis focused on the post-pandemic period, CAGR is up to 21.9% growth, due to the strong early-pandemic shift to e-commerce. The top online marketplaces sold \$3.25 trillion in goods in 2022. Third-party sales through platforms like those operated by Alibaba, Amazon.com Inc., eBay Inc. and others accounted for 77.5% of total gross merchandise value among the Top 100 companies in 2023 (Online Marketplaces Database). This year, mostly growth came from hybrid marketplaces - those that sell goods they own along with goods from third-party sellers. Overall, marketplaces grew GMV by 2.9%, but hybrids like Amazon, Walmart Inc. and JD.com Inc. grew 7.2%, However, in case of, all well

outperforming pure marketplaces like eBay, Wish.com and Alibaba's Chinese marketplaces Tmall and TaoBao, Pure players', GMV declined 0.9%.

The Chairman says:

At IntraSoft, we believe that empowering growth is more than just a concept; it is the guiding principle behind everything we do.

We provide a one –stop end to end market place sales solution that enables our brands to grow their online business on key US marketplaces. Our Brand partners, largely small and medium sized US businesses reposed their full trust on us and have come to depend upon us exclusively to generate sales, fulfil orders and serve customers without the need for dedicated resources. Our business eco-system offers more than 150,000 products across major categories of home & kitchen, garden & outdoor, tools & home, sports & outdoor.

By managing their market place sales we help brand partners to dedicate their full efforts towards product development, drive sales and increase brand awareness across diverse product categories.

The principal driver of success is the strength of our technology. Our proprietary technology solution processes millions of orders across the US market with speed and accuracy. Our platform features leading customer experience, inventory management, marketing & advertising, comprehensive product listing, order management, data analytics, account management and brand protection. The result of seamless flow of order placement to the execution with accuracy through our technology has generated a superior rating and recognition for IntraSoft also by marketplaces and marketplace customers. This, in turn, has also developed strong trust with brand partners.

Online marketplace sales are complex, warranting specialized capabilities across functions that extend from supply chain management to marketing to strategy. The race for a presence in the marketplace 'buy-box' amidst fierce competition requires brands to offer products at the best possible price and perform consistently well across key marketplace metrics. For these brands, addressing these challenges in-house could prove time- and labour- intensive and in cases unviable. Our intervention provides cost and operational efficiencies to these brand partners, strengthening their capabilities in wading through business development challenges.

The Chairman says:

During the financial year under review, the Consolidated Revenue from Operations stood at ₹ 456.94 corers. Consolidated Net Profit stood at ₹ 8.41 corers.

The strides we have made in recent years to build a truly differentiated, partner-centered service offering, ted by a balanced, multicategory portfolio, positions us well to navigate in any environment. Our focus on strengthening our solution through investments, in making our technology robust and scalable over the last few years, has enabled us to deliver our services in a seamless and efficient manner to our brand partners unhindered by the supply chain and COVID challenges during last couple of years. Near-term macro challenges like supply chain congestion and goods related inflation have started easing, resulting in increased demand in the online ecosystem, driving benefit for our brand partners from our E-Commerce Platform.

Our strong focus on sustainability and efficiency led us to achieve consistently, high and positive operating cash-flows over the last two years. That reflects on our vision and competence. During the year we responded well to a challenging macroeconomic environment experiencing global supply chain challenges by adding more than 100 new brands to our platform, which is a testament to the strength of our business model as well as the flexible, diversified supply chain structure we proactively built and have leveraged during this time.

We ended Q1FY24 with a Consolidated Revenue from Operations of ₹ 120.42 crores with a Consolidated Net Profit of ₹ 2.77 crores and an operating cash flows of ₹ 2.82 Cr.

During the FY 23, despite the spike in the volumes of e-commerce purchases, and logistics challenges we successfully delivered on our promise of providing products at the best possible prices and in the shortest delivery time. Our brand partners were pleased to reap the benefits of our strong integrated proprietary technology platform and grow their businesses.

During FY' 23, the Fed hiked the interest rates several times. Our Benchmark SOFR increased to 4.87% on 31.03.2023 from 0.29 % on 31.03.2022. This is a concern in the short term as it is increasing the cost of Borrowing. As supply chain normalises and the effects of the Ukraine war are reduced, we trust the interest rates will come down to normal rates.

Over this past year also, we prioritized the health and wellbeing of our team members we have created an architecture to empower our team to work remotely or on hybrid mode with even greater efficiency as the work and the situation demands.

The Chairman says:

Retail B2C Ecommerce is by far the most dynamic and leading of the two consumer focuses. It had an 18% share of the total global retail sales since 2020, and is forecast to have over a 1% annual growth rate, achieving a nearly 22% share of total global retail sales by 2024. We also see B2B ecommerce gross merchandise value growing at a similarly steady rate through 2019 as to mirror its retail B2C counterpart.

Our focus on building partnerships with newer brands through a strategic brand acquisition strategy has yielded positive results. By increasing our product assortment and implementing targeted sales and marketing programs, we have positioned ourselves for continued growth and success. We continue to focus on making robust investments in our platform, improving performance on operational parameters by driving efficiencies and remain committed to adding new brands in the coming months and our long-term vision remains intact as we continue to make investments in our people, processes and technology to grow the business.

Looking ahead, we are focused on executing our long-term strategy, including continued differentiation through affordability, assortment, ease and convenience for our brand partners. We're proud of the loyalty and trust we've built with our partners, and our team continues the ongoing commitment to deliver a truly exceptional and differentiated experience for our brand partners and customers. At the same time, we are planning our business cautiously in the near term to ensure we remain agile and responsive to the current operating environment.

I am grateful to all our stakeholders for their continued support and encouragement. We believe, we have an incredible journey going forward.

The Chairman says:

On behalf of the board of directors, I once again welcome you to the 28th AGM of the Company

I am informed that the requisite quorum is present and hereby call the meeting to order the notice along with the annual report for the financial year ended 31st March 23 consisting of financial statements including board's report, auditor's report and other documents have been sent only to those members whose email IDs were registered with us through electronic means and no physical copy of the notice has been sent by the company to any member. The notice has also been hosted on the website of our company. With your permission I shall take the notice of today's meeting as read. The company has presented the standalone and consolidated financial risk statements of the company for the year ended 31st March 23. As per the requirements of the company's act 2013, the auditors report on the standalone and consolidated financial statements do not have any qualification, observation, or comment on the financial transaction or other matters. I shall now take the statutory auditors report as Read and Secretarial Auditors report as read. I now request the monitor moderator to invite shareholders to express the views and ask any questions pertaining to the performance of the company during the year on the review or any other resolution, pay for approval of the members.

Moderator says :

Thank you sir. I'll now request the speakers who have already registered themselves to express views and raise queries pertaining specifically to the annual report of Financial Year 2022 2023 and business matters for today's meeting. The shareholders are requested to be brief and avoid repetition as regards personal ingredients or queries. If any , shareholders are requested to write directly to the company secretary or registrar and transfer agent to enable prompt and appropriate response. The speaker shareholders are requested to click the audio and video button while speaking.

if shareholders are unable to join through video mode due to any reason the shareholders are advised to switch off the camera or video and speak through audio mode. Speaker shareholders are requested to minimize any background noises to avoid any disturbance. In the event. If there is any connectivity problem at speaker or shareholders end, we'll ask the next speaker to join the meeting.

Once the connectivity improves, the previous speaker shareholder will be called back to speak during this question or answer session. I will now announce name of the registered speaker shareholders to express views or ask questions or give suggestions. Speaker shareholders will thereafter be unmuted by me and will allow to express their view or ask questions. Each speaker will be given two to three minutes and I request each speaker shareholder to add to this timeline so our first two speaker shareholder that Mrs Lekha Shah and Mr Satish Shah are not available in the panel. So we are moving to the next speaker. Shareholder that is, Mr. Tushar Sodha . Mr. Sodha , you can speak now.

Tushar Sodha says;

Very good evening to all. Am I audible and visible?

Moderator:

Yes sir, you are.

Tushar Sodha says:

Thank you so much for the information. So just one moment. Respected Chairman sir, board of directors and fellow shareholders. My name is Tushar Sodha and I have joined virtual AGM of our company from Mumbai. I acknowledge the receipt of annual report as well as the notice for today's GM through to email and thank our nodal officer, company secretary and his efficient secretarial team for timely service of the financial statements. His Team and Finance team deserves our appreciation for nice presentation of the annual report. They have covered every aspect in great detail. History of our company has been remarkable over the last 28 years. I am happy that for the year under review our company has reported total revenues of 462 cores. Finance costs have more than doubled to 8.1 cores from 3.5 cores of last year. Kindly share your views on the same.

Tushar Sodha says;

Sir, we are a leading e-commerce retailer enjoying remarkable presence across online marketplaces such as eBay and Amazon. Our company's perfectly poised for a very exciting future Chairman, sir.

Results for the June quarter are encouraging with 13% revenue growth. EBITDA for the quarter has almost doubled two 6.66 Crores as compared to 3.52 Crores of corresponding quarter of the previous year with net profit at 2.77 Crores . please inform what are the expectations for the balance three quarters when what we believe is in tune with what we do. Success always follows the way. I am confident that our company will surely evaluate and optimize existing brand portfolio. I take this opportunity to appreciate employees at all levels and the entire senior management team for the leadership and valuable guidance. We take a fresh guard and look forward to the next five years. I am convinced that our present is positive and I am confident that our future is surely promising. As always, I extend my continued support to our company . Thank you chairman, sir, for giving me this opportunity to put forth my query and express my views. Thank you so very much, sir.

Moderator says:

Thank you sir. So our next speaker, shareholder for the day, Mr. Nilesh Shah is not available on the panel. So we are moving ahead with the next agenda. With this we have received all the comments or suggestions and questions from all the registered speakers. Now I invite the Chairman sir and other panelists to answer all the address the queries of the shareholders. Over to you sir. Thank you.

Chairman says:

Thank you Mr. Sodha for your observations. Yes, the finance costs have gone up. The principle reason for that is that if you mean following the USA fed policy , increasing interest rates to control inflation . I mentioned in my speech that we are benchmarked to SOFR , which was 0.29% in start of the 2022, which was increased over the year to 4.87%. Correspondingly, our debt, attracted higher interest, which is the main cause of the higher interest rate. If you see our EBITDA has gone up, but some of that has been

eaten by the increased interest cost. My personal view is that as supply chain normalizes and the impact of the Ukraine war comes to normality, the Fed will also either hold or start, you know, remove, reducing the price of the interest rate. So once that happens and we come back to where we were, then you will see the interest rates also come down.

Chairman says:

That was the answer to the question number one. Question number two is how's the quarters are going. I think if we, if we observe in our country as well as in the us more and more goods are coming online. The younger people are more and more adept at buying online than even as some older people. So as the population becomes attuned to buying online, plus coupled with, you know, more and more digitization, more express ways, more logistics connectivity, I think the market will only go up for online products. We are very much entrenched in the backbone of the US E-commerce business selling on Amazon. So as more and more people come to Amazon, the orders will be placed to us and the ourselves and our brand partners will enjoy the benefits of you know, the system that we have created. As you rightly pointed out, we had a growth of 13% in Q1.

Chairman says;

We anticipate to keep doing that growth and hopefully beat it. As of right now, we are on track to hit between 13 and 15%. Thank you for your question. I now hand over to Mr Tripathi

So I now request Mr. Tripathi, Company Secretary, to brief you about the voting instructions

Company Secretary says:

Dear members, pursuant to the provisions of section 108 of the Companies Act read with the rule 20 of the company's management and administration rules, 2014, as amended time to time and regulation 44 SEBI LODR, the company has provided remote e-voting facility to all the members of the company. The e-voting commence at 9:00 AM on Saturday 23rd September, and concluded at 5:00 PM on 25th September, 2023.

Company Secretary says;

Mr. Jayesh Shah, practicing company secretary was appointed by the board for scrutinizing the the e-voting process. Members who have not yet cast their vote by remote e-voting can exercise their voting rights, at the AGM. also,

This electronic voting facility for casting vote at the A GM will remain open till next 15 minutes from the conclusion of the meeting, I now request those shareholders, who have not cast the vote through remote e-voting. They may cast their vote through e-voting provided at the AGM

As all the resolutions were put to vote for remote e-voting. There is no proposing and seconding for the resolutions. Mr Jayesh Shah shall scrutinize and submit the report to the chairman on the votes cast through remote voting and voting at the AGM. The combined results of remote e-voting and voting at AGM along with scrutinizer's report will be declared and uploaded on the company's website, www.itlindia.com. Within 48 hours of the submission of the scrutinizes report. I now thank all the

members on behalf of the board of directors. I thank all the members of the company for their continued support to the company and with the permission of the chairman, sir, I call this meeting to conclude.

Chairman says;

Yes, thank you. Please go ahead.

Company Secretary says;

So this meeting is concluded now and, e-voting at the A GM will be available for next 15 minutes. Request all the members to cast the vote. Thank you everybody for your guidance and participation.

Chairman says:

Thank you everybody.

Company Secretary says;

Thank you. Thank you.