



CarTrade open to more acquisitions in auto, autotech

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NEW DELHI

New Irdai platform casts a shadow over PolicyBazaar

Bima Sugam may kick off with cheaper premiums, and access to data from diverse sources

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After completing the acquisition of OLX India's classifieds and auto business, auto portal CarTrade Tech Ltd is looking at acquisitions in the automotive and autotech space to consolidate its share, according to Vinay Sanghi, the founder-chairman of CarTrade.

"My gut says it will be automotive and automotive tech, which is what we are good at. And that's where we will keep looking. It might also be automotive clean energy, but non-automotive acquisitions is way too premature," Sanghi said in an interview.

Before the OLX acquisition, CarTrade had cash reserves of ₹1,100 crore and no debt. The acquisition of OLX's classifieds and auto business was done for ₹335.54 crore. OLX also operates as a debt-free entity, holding around ₹100 crore in cash reserves.

This financial stability positions both companies favourably for their market expansion plan. OLX had invested in conservative mutual funds as well as overnight funds, yielding around 6% interest.

Through the collaboration with OLX, CarTrade aims to establish India's largest auto classifieds and auto transactions platform. The combined entity of the CarTrade Tech group and OLX India is expected to attract 68 million unique average monthly visitors and facilitate 32 million annual listings, Sanghi added.

The annual number of vehicles auctioned across India is projected to reach 1.3 million, led by prominent players such as Cars24, CarDekho, Droom and Spinny.

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Top insurance aggregator PolicyBazaar is facing an unexpected challenge from the upcoming launch of Bima Sugam, a similar platform being built by India's insurance regulator, the heads of five insurance companies said.

The Insurance Regulatory and Development Authority of India's (Irdai) Bima Sugam is likely to be launched in a few months, the head of one of India's largest life insurers said, adding the platform may offer insurance products at 10-15% cheaper premiums.

"Bima Sugam's entry may potentially snatch PolicyBazaar's market share, hurting its revenue, profitability and stock price severely in the next two years, which in turn will make PolicyBazaar's business model completely unviable," said the person cited above.

Founded by Yashish Dahiya and Alok Bansal, PolicyBazaar commands at least a fourth of the insurance aggregator market. The arrival of Bima Sugam—meaning "Insurance Easy"—comes two years after PolicyBazaar's owner parent PB Fintech Ltd, backed by Info Edge and Japan's SoftBank, got listed on the stock exchanges. Masayoshi Son's SoftBank holds 4.39%, China's Tencent 6.28% and Info Edge holds 17.5% in PB Fintech, while Claymore Investments (Mauritius) Pte. Ltd, a subsidiary of Singapore's Temasek Holdings, own 5.43%.

While a query and several messages sent to PolicyBazaar spokespersons remained unanswered, during its post-earnings analyst call on 8 August, PB Fintech's executives had said, "It's (Bima Sugam) a great platform. I think



Founded by Yashish Dahiya (above) and Alok Bansal, PolicyBazaar commands at least a fourth of the insurance aggregator market.

it'll do really, really well. You know, it's obviously initiated by the government and by all the insurance companies. We as part of the idea are also part of it. And we think it's a phenomenal platform

the largest general insurers, the second person cited above.

An 8 August report by Macquarie Group sees a target price of ₹560 for PB Fintech shares, 25% below their cur-

talization. "We believe the company (PB Fintech) faces significant revenue and profitability risks from the regulator's launch of Bima Sugam, a marketplace that can affect longer-term market share and take rates. TAM (total addressable market) potential is also limited, thereby affecting revenue prospects," said Suresh Ganapathy and Punit Bahlani in the Macquarie report.

To increase insurance penetration, Irdai wants to capitalize on the digitization of customers' buying habits, even in the financial services space.

"Bima Sugam in insurance industry will be like what ONDC (Open Network for Digital Commerce) is in the e-commerce space or what UPI (Unified Payments Interface) is in the digital payment industry. Ultimately, customers and every insurer will have to drift towards Bima Sugam as a separate, dedicated, large distribution channel. Saving on distribution costs, it will offer insurance products at 20-30% cheaper premium prices than what are offered on PolicyBazaar and by agents of insurance firms. This will attract customers, though only simple term assurance, accidental insurance, motor, health and property insurance policies will be initially sold on it and complex life and general products will come at a later stage," said the third person, the head of a large life insurance firm.

Bima Sugam will save on distribution costs for policy buyers and that is where it will impact PolicyBazaar's business model, the first person said. "A part of the premium paid goes as commission to PolicyBazaar—its primary revenue source. Bima Sugam will eventually sell products like critical illness, industrial, specialized health policies, pension, endowment and annuity life insurance plans. That is where PolicyBazaar's business may see a serious blow," said this person.

Vi avails grace time for spectrum fees; loss up to ₹7,840 cr

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Vodafone Idea Ltd (Vi) will avail of a 30-day grace period for paying its annual instalment of spectrum payment, totalling ₹1,680 crore, along with interest, due on 17 August on account of the acquisition of 5G airwaves last year, the company said on Monday. The company added that one of the promoters will provide ₹2,000 crore financial support if the company requires funds for making the payment, without specifying the promoter entity.

"The company has received a communication from a promoter group entity confirming that in the event of any fund requirement for meeting its impending payment obligations by the company, it shall provide direct or indirect financial support to the extent of ₹2,000 crore," it said in another statement.

Meanwhile, Vi's losses widened from ₹7,296 crore a year earlier to ₹7,840 crore in the June quarter, even as revenues rose from ₹10,410 crore to ₹10,655 crore during the period.

In Q4FY23, the Aditya Birla Group-promoted telco's losses stood at ₹6,419 crore over revenues of ₹10,532 crore.

Average revenue per user, a key metric of profitability, rose to ₹139 in the quarter ended 30 June, up from ₹128 a year ago and ₹135 in the previous quarter. "The eighth consecutive quarter of growth in average daily revenue, ARPU and 4G



Vi reported revenue of ₹10,655 crore for the June quarter. MINT

subscribers reflects our ability to effectively operate and compete in the market," said Akshaya Moondra, chief executive, Vodafone Idea.

"We remain engaged with lenders for further debt fund raising as well as with other parties for equity or equity-linked fund raising, to make required investments for network expansion, including 5G rollout," he added.

"We are in discussion with various network vendors for finalization of the 5G rollout strategy. We have completed device testing of major OEMs (original equipment manufacturers) on our 5G network," Vi

said in a statement to the exchanges on Monday. Vi, where the government is the single largest shareholder, had a gross debt of ₹2.12 trillion as of June, comprising deferred spectrum payment obligations of ₹1.34 trillion, adjusted gross revenue of ₹66,860 crore due to the government, debt from banks and financial institutions of ₹9,500 crore, and ₹16,600 crore, worth optionally convertible debentures.

BOLT FROM THE BLUE

IRDAI'S Bima Sugam—meaning "Insurance Easy"—is likely to be launched in a few months

THE arrival of Bima Sugam comes two years after PB Fintech got listed on the stock exchanges

AT Monday's close of ₹731.65 on BSE, PB Fintech commanded a market cap of ₹33,000 crore

IT'S (Bima Sugam) a great platform, PB Fintech's executives said during an 8 August post-earnings call

here. It's a regulator-initiated platform."

"PolicyBazaar is aware of the serious risk and is working on a Plan B to combat the imminent challenges, prevent value erosion," said the head of one of

rent levels, as the Bima Sugam platform could be disruptive, affecting PolicyBazaar's 'take rates' and market share.

At Monday's close of ₹731.65 per share on the BSE, PB Fintech commanded ₹33,000 crore in market capi-

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2023

| PARTICULARS | Quarter Ended | | | | Year Ended |
|---|-----------------|-----------------|-----------------|-----------------|------------|
| | 30-06-2023 | | 30-06-2022 | | |
| | (Unaudited) | (Audited) | (Unaudited) | (Audited) | |
| Income | | | | | |
| I (a) Revenue from Operations | 12041.95 | 11801.03 | 10675.68 | 45694.04 | |
| II (b) Other Income | 183.12 | 174.99 | 42.05 | 466.94 | |
| III Total Income (I+II) | 12225.07 | 11976.02 | 10717.73 | 46160.98 | |
| Expenses | | | | | |
| (a) Cost of Goods Sold | 7491.70 | 7349.56 | 6630.47 | 28396.07 | |
| (b) Shipping & Handling Expenses | 1620.46 | 1569.91 | 1415.65 | 6065.60 | |
| (c) Sales and Marketing Expenses | 1630.33 | 1580.59 | 1421.89 | 6066.63 | |
| (d) Employee Benefits Expense | 477.91 | 544.40 | 509.16 | 2273.87 | |
| (e) Finance Costs | 288.41 | 281.81 | 116.04 | 807.53 | |
| (f) Depreciation and Amortisation Expense | 25.41 | 26.53 | 29.29 | 110.32 | |
| (g) Other Expenses | 339.10 | 348.17 | 388.89 | 1332.77 | |
| IV Total Expenses | 11873.32 | 11700.97 | 10511.39 | 45052.79 | |
| V Profit Before Tax (III-IV) | 351.75 | 275.05 | 206.34 | 1108.19 | |
| VI Tax expense | | | | | |
| (a) Current Tax | 20.19 | -7.36 | 9.64 | 25.40 | |
| (b) Deferred Tax (includes reversal of MAT Credit) | 54.29 | 37.79 | 31.21 | 241.41 | |
| (c) Income Tax (earlier years) | | 0.00 | 0.00 | 0.18 | |
| VII Net Profit/(Loss) for the Period (V - VI) | 277.27 | 244.62 | 165.49 | 841.20 | |
| VIII Other Comprehensive Income (net of tax) | | | | | |
| (i) Items that will not be reclassified subsequently to Profit or Loss | | | | | |
| Remeasurement benefit of post employment defined benefit obligations | -4.17 | 8.84 | -4.75 | -5.41 | |
| Income tax effect on above | 1.12 | -2.40 | 1.28 | 1.44 | |
| (ii) Items that will be reclassified subsequently to Profit or Loss | | | | | |
| Gain/(Loss) on fair value of investments in debt instruments through OCI | 10.79 | -15.62 | -3.86 | -31.61 | |
| Exchange differences on translation of financial statements of foreign operations | -14.42 | -96.37 | 268.06 | 519.42 | |
| Income tax effect on above | -3.00 | 4.34 | 1.07 | 8.79 | |
| IX Total Comprehensive Income/(Loss) for the Period (VII + VIII) | 267.59 | 143.41 | 427.20 | 1333.83 | |
| X Paid up Share Capital (face value of ₹ 10 each, fully paidup) | 1473.17 | 1473.17 | 1473.17 | 1473.17 | |
| XI Other equity (excluding revaluation reserve) | | | | 16378.24 | |
| XII Earnings per Equity Share (EPS) (₹) | | | | | |
| Basic and diluted EPS | 1.88 | 1.66 | 1.12 | 5.71 | |
| XIII Additional Information on Standalone Financial Results is as follows: | | | | | |
| Revenue from Operations | 149.30 | 73.25 | 190.34 | 631.82 | |
| Profit/(Loss) before Tax | 122.86 | -26.01 | -71.10 | 117.34 | |
| Profit/(Loss) after Tax | 62.65 | -23.30 | -48.80 | 14.05 | |

NOTES :
1. As on 30 June 2023, IntraSoft Technologies Group ("the Group") comprises the parent Company i.e. IntraSoft Technologies Limited and its five subsidiaries. (including two step down subsidiaries).
2. The above consolidated results which are published in accordance with Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 14 August 2023. The financial results are in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act 2013 read with the relevant Rules thereunder. These results have been subjected to a limited review by the Statutory Auditors of the Company who have issued unmodified conclusion thereon.
3. The figures for three months ended March 31, 2023 are arrived at as difference between audited figures in respect of full financial year and the unaudited figures upto nine months ended December 31 of the financial year. Also the figures upto the end of third quarter had only been reviewed and not subjected to audit.
4. As per the requirements of IND AS 108 as notified under Companies (Indian Accounting Standards) Rules 2015 as specified under Section 133 of the Companies Act, no disclosure is required for Segment reporting as the Company is operating in single business segment of Internet based delivery of products and services.
5. Previous period figures have been re-grouped / re-classified wherever necessary, to conform to current period's classification.
6. The Consolidated financial results of the Company for the quarter ended 30 June 2023 are available on the Company's website www.itindia.com.

Place: Kolkata
Dated: 14 August, 2023

For IntraSoft Technologies Ltd.
Sd/-
Arvind Kalaria
Managing Director
DIN: 00106901



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