MSKA & Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Telangana State, Hyderabad 500072, INDIA
Tel: +91 40 6814 2999

INDEPENDENT AUDITOR'S REPORT

To the Members of **Palred Technologies Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Palred Technologies Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, the standalone statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As disclosed in Note no. 32 to the standalone financial statements, the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31,2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No.	Key audit Matters (Risk)	How Was the Key Audit Matter Addressed in the Audit
1.	**Valuation of Investments in Equity Shares of Subsidiaries** Refer to the disclosures related to Investments in Note 5 of the standalone financial statements for the year ending March 31, 2021. The company has made investments in equity shares of its subsidiary companies amounting to Rs. 56,58,00,000/-. Such investments are accounted for at cost in accordance with Ind AS 27, Separate Financial Statements. Subsequently the company impaired its investment in subsidiaries by Rs. 47,77,23,100 in financial year 2018-19 and invested Rs. 4,00,00,000 in financial year 2019-20. The Company assesses the recoverable amount of the investment when impairment indicators exist, by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date. The investments are tested for impairment on account of continuous losses incurred by the subsidiary entity. The process for measuring and recognizing impairment loss is complex and requires management judgement. The key assumptions underpinning management's assessment of valuation include, but are not limited to, projections of recoverable amounts of recognized assets and liabilities, revenue projections and market valuation of the company. The recovery of investments of the company depends on subsidiaries establishing profitable business in future. Based on the above impairment testing, the management has provided for impairment of the carrying value of the investment in Palred Technologies Services Private Limited for Rs. Rs. 4,75,14,438. Considering the materiality, complexity and significance of judgement involved, the valuation of aforesaid investments has been considered to be a key audit matter for current year's audit.	**Our audit procedures in respect of this area included:** 1. Obtained an understanding and assessed management's process and controls with respect to determining valuation of investments. 2. Evaluated and tested the design and the operating effectiveness of the key controls in relation to valuation. 3. Verified the assumptions & arithmetical accuracy for the value per share of the subsidiaries in which investment is made by the company. 4. Compared the pro rata share of net assets of each of the subsidiaries to the investment held by the Company and market value of the company to the consolidated net worth. 5. Evaluated the appropriateness of the disclosures made in the financial statement in relation to such investments as required by applicable accounting standards.

MSKA & Associates
Chartered Accountants

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”; and

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 21214198AAAACY9867

Place: Hyderabad
Date: June 26, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PALRED TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation procedures public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 21214198AAAACY9867

Place: Hyderabad
Date: June 26, 2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PALRED TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2021

[*Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report*]

i.

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).

(b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made. Further in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, investments, guarantees and security made.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions of clause 3(v) of the order are no applicable.

vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues with appropriate authorities including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6,02,00,000	AY 2008-09	Income-Tax Appellate Tribunal, Hyderabad.

viii. The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Amit Kumar Agarwal

Partner

Membership No. 214198

UDIN: 21214198AAAACY9867

Place: Hyderabad

Date: June 26, 2021

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PALRED TECHNOLOGIES LIMITED

[Referred to in paragraph (g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Palred Technologies Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 21214198AAAACY9867

Place: Hyderabad
Date: June 26, 2021

Paired Technologies Limited
Balance Sheet as at March 31, 2021
(All amounts in INR, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	714,653	955,913
Right of Use Assets	4 (a)	-	742,603
Financial assets			
Investments	5	80,562,462	128,076,900
Other non-current assets	6	25,544,312	24,238,762
Total non-current assets		**106,821,427**	**154,014,178**
Current assets			
Financial assets			
Investments	5	2,294,575	2,867,086
Trade receivables	7	82,963	3,224,355
Cash and cash equivalents	8	400,681	839,436
Bank balances other than cash and cash equivalents	9	144,763,072	144,763,073
Other financial assets	10	12,760,604	5,587,625
Other current assets	11	201,355	112,509
Total current assets		**160,503,250**	**157,394,084**
Total assets		**267,324,677**	**311,408,262**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	97,325,660	97,325,660
Other equity	13	161,790,500	205,153,068
Total equity		**259,116,160**	**302,478,728**
Liabilities			
Non-current liabilities			
Provisions	14	1,348,918	1,288,538
Total non-current liabilities		**1,348,918**	**1,288,538**
Current liabilities			
Financial liabilities			
Lease liabilities	4 (b)	-	806,502
Other financial liabilities	15	6,630,325	6,593,680
Other current liabilities	16	195,977	226,152
Provisions	14	33,297	14,662
Total current liabilities		**6,859,599**	**7,640,996**
Total liabilities		**8,208,517**	**8,929,534**
Total equity and liabilities		**267,324,677**	**311,408,262**
See accompanying notes to the financial statements	1-34		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

For and on behalf of the Board of Directors
Paired Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P
Digitally signed by SUPRIYA REDDY P
Date: 2021.06.25 13:38:12 +05'30'

Supriya Reddy
Chairperson & director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

MVLM Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Pinekalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

PAIRED TECHNOLOGIES LTD. HYD.

Paired Technologies Limited
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in INR, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	17	15,101,701	9,238,766
Other income	18	8,116,755	10,421,478
Total income		**23,218,456**	**19,660,244**
Expenses			
Employee benefits expense	19	9,340,966	10,899,815
Finance cost	20	30,734	87,965
Depreciation and amortization expense	21	945,963	1,131,275
Other expenses	22	8,770,571	8,424,803
Total expenses		**19,088,234**	**20,543,858**
Profit /(Loss) before exceptional item		4,130,222	(883,614)
Exceptional item	23	47,514,438	-
Profit /(Loss) before tax		**(43,384,216)**	**(883,614)**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		21,648	(293,717)
Other comprehensive income for the year, net of tax		**21,648**	**(293,717)**
Total comprehensive income for the year		**(43,362,568)**	**(1,177,331)**
Earnings per equity share			
Basic & Diluted earnings per equity share	24	(4.46)	(0.09)
Weighted average number of equity shares outstanding during the year and considered for calculation of basic and diluted EPES		9,732,566	9,732,566
Nominal value per equity share		10	10
See accompanying notes to the financial statements	1-34		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

For and on behalf of the Board of Directors of
Paired Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P
Digitally signed by SUPRIYA REDDY P
Date: 2021.06.25 13:38:37 +05'30'
Supriya Reddy
Chairperson & director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

Pinekalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

MVLM Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

PALRED TECHNOLOGIES LTD. HYD.

Palred Technologies Limited

Statement of changes in equity for the year ended March 31, 2021

(All amounts in INR, unless otherwise stated)

(A) Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening	9,732,566	97,325,660	9,732,566	97,325,660
Add: issue during the year	-	-	-	-
Closing	9,732,566	97,325,660	9,732,566	97,325,660

(B) Other equity

	Reserves and surplus				Other Comprehensive Income	Total
	Capital Reserve	Security premium	General reserve	Retained earnings	Remeasurement of defined benefit plans	
Balance as at March 31, 2019	14,280,000	672,030,093	132,524,353	(612,450,105)	(53,942)	206,330,399
Loss for the year	-	-	-	(883,614)	-	(883,614)
Other comprehensive loss	-	-	-	-	(293,717)	(293,717)
Balance as at March 31, 2020	14,280,000	672,030,093	132,524,353	(613,333,719)	(347,659)	205,153,068
Loss for the year	-	-	-	(43,384,216)	-	(43,384,216)
Other comprehensive loss	-	-	-	-	21,648	21,648
Balance as at March 31, 2021	14,280,000	672,030,093	132,524,353	(656,717,935)	(326,011)	161,790,500

See accompanying notes to the financial statements 1-34

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

For and on behalf of the Board of Directors of
Palred Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P Digitally signed by SUPRIYA REDDY P Date: 2021.06.25 13:38:57 +05'30'

Supriya Reddy
Chairperson & director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

MVLM Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Pinekalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

PALRED TECHNOLOGIES LTD. HYD.

Palred Technologies Limited
Statement of cash flows for the year ended March 31, 2021
(All amounts in INR, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Loss before tax	(43,384,216)	(883,614)
Adjustments for:		
Depreciation and amortization expense	945,963	1,131,275
Dividend on Mutual Fund	(127,489)	(267,086)
Finance cost	30,734	87,965
Interest income	(7,897,982)	(10,154,392)
Income on derecognition of lease	(91,284)	-
Impairment towards investment in subsidiaries	47,514,438	-
Operating loss before working capital changes	(3,009,836)	(10,085,852)
Changes in working capital		
(Decrease)/ increase in trade receivables	3,141,392	(3,224,355)
(Decrease)/ increase in other current liabilities	(30,173)	(1,775)
(Decrease)/ increase in non-current liabilities	(632,623)	3,587,679
(Decrease)/Increase in provisions	100,663	632,196
Decrease/ (increase) in other financial assets	(7,172,979)	(3,988,273)
Decrease/(increase) in other current assets	(88,846)	(23,424)
Decrease/ (increase) in non-current assets	824,880	427,172
Cash generated used in operations	**(6,867,522)**	**(12,676,632)**
Income Tax paid	2,130,430	1,245,584
Net cash flows used in operating activities (A)	**(8,997,952)**	**(13,922,216)**
Cash flow from investing activities		
Purchase of property, plant and equipment	(8,051)	(1,500,385)
Net proceeds from mutual funds	572,511	(2,867,086)
Purchase of investments	-	(40,000,000)
Dividend income from mutual funds	127,489	267,086
Net proceeds from fixed deposits	-	47,531,734
Interest received	7,897,982	10,154,391
Net cash flow from investing activities (B)	**8,589,931**	**13,585,740**
Cash flow from Financing activities		
Interest paid	(30,734)	(87,965)
Net cash flow from financing activities (C)	(30,734)	(87,965)
Net increase in cash and cash equivalents (A+B+C)	(438,755)	(424,441)
Cash and cash equivalents at the beginning of the year	839,436	1,263,877
Cash and cash equivalents at the end of the year	**400,681**	**839,436**
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	379,002	790,692
Cash on hand	21,679	48,744
Total cash and bank balances at end of the year	400,681	839,436

See accompanying notes to the financial statements 1-34

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

PALRED TECHNOLOGIES LTD. HYD.

For and on behalf of the Board of Directors of
Palred Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P
Digitally signed by SUPRIYA REDDY P
Date: 2021.06.25 13:39:15 +05'30'

Supriya Reddy
Chairperson & director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

Pinekalapati Harish Naidu
Chief Finance officer

Place: Hyderabad
Date: June 26, 2021

MVLM Murty
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

Palred Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021
(All amounts in INR, unless otherwise stated)

1 Corporate Information

Palred Technologies Limited (the "Company") is a public company incorporated and domiciled in India and incorporated in accordance with the provisions of the erstwhile Companies Act, 1956. The Company's registered office is at 8-2-703/2/B/, Plot No.2, Road No.12, Banjara Hills, Hyderabad, Telangana-500 034. Its shares are listed on two recognised stock exchanges of India, the National Stock Exchange of India Limited and BSE Limited. The Company is engaged in the business of E commerce.

The Board of Directors approved the Standalone financial statements for the year ended March 31, 2021 and authorised for issue on June 26, 2021.

2 Basis of preparation of standalone financial statements

Statement of Compliance with Ind AS

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, issued by the Ministry of Corporate Affairs ("MCA").

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements have been prepared for the Company as a going concern on the basis of relevant IND AS that are effective at the Companys annual reporting date March 31, 2021.

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items in the Balance sheet:

i) Certain financial assets and liabilities measured either at fair value; and
ii) Net defined assets/ (Liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

(I) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgements, estimate and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and in any future periods effected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements is included in the following notes:

i. Note (c) and (d) – Useful lives of property, plant and equipment and other intangible assets;
ii. Note (e) – Impairment;
iii. Note (g) – Financial instruments;
iv. Note (k) – Employee benefits;
v. Note (m) – Provisions, contingent liabilities and contingent assets; and
vi. Note (l) – Income taxes

(II) Summary of significant accounting policies

The standalone financial statements have been prepared using the accounting policies and measurement basis summarized below.

a. Functional Currency

The standalone financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company. All financial information presented in Indian INR has been rounded to the nearest Rupee, unless otherwise stated.

b. Current and non-current classification

All the assets and liabilities have been classified as current and non-current as per the Companys normal operating cycle and other criteria set out in the Division II- Ind AS Schedule III to the Act. The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
ii. Held primarily for the purpose of trading.
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

i. It is expected to be settled in normal operating cycle.
ii. It is held primarily for the purpose of trading.
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current assets/ liabilities include the current portion of non-Current assets/liabilities respectively. All other assets/ liabilities including deferred tax assets and liabilities are classified as non-current.

PALRED TECHNOLOGIES LTD. HYD.

c. **Property, plant and equipment (PPE)**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes (other than those subsequently recoverable from tax authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (Major components) of PPE.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances. Capital Work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

Depreciation on property, pant and equipment is calculated on pro-rata basis on written down value method using the useful lives of the assets estimated by management. The useful life is as follows:

Asset	Useful life (in years)
Leasehold improvement	Lease period
Vehicles	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

Depreciation on additions/ disposals is provided on pro-rata basis i.e. from / up to the date on which asset is ready for use/ disposed-off.

The useful lives are based on historical experience with similar assets as well as anticipation of future events. The residual values are not more than 5% of the original cost of the assets. The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted retrospectively, if appropriate.

d. Intangible assets

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment. These are derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The other intangible assets comprise of computer software expenditure and are amortized over a period of three years. The amortization period and the amortization method for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

e. Impairment

Impairment of non-financial assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

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f. Leases:

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: -

i. Fixed payments, including in-substance fixed payments;

ii. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii. Amounts expected to be payable under a residual value guarantee; and

iv. The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. (Refer Note 4)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Comparative information under Ind AS 17

In the comparative period, as a lessee the Company classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognised at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

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g. Financial Instruments

Initial Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and; for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

i. amortised cost;

ii. fair value through other comprehensive income ("FVTOCI") - debt investment;

iii. FVTOCI - equity investment; or

iv. FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

i. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

FVTOCI - debt investment

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

i. the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI - equity investment). This election is made on an investment by- investment basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

De-recognition

Financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss, since the Company's hedging instruments did not qualify for hedge accounting in accordance with the Ind-AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Dividend distribution to equity holders of the Company

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

h. **Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

i. **Investments in the nature of equity in subsidiaries**

The Company has elected to recognise its investments in equity instruments in subsidiaries at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee and

(c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with Ind AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j. **Revenue recognition**

The Company has adopted Ind AS 115- Revenue from Contracts with customers, using modified retrospective application method with effect from April 1, 2018 and accordingly these financial statements are prepared in accordance with the recognition and measurement principles laid down in Ind AS 115. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements of the Company as the Company is yet to identify the business opportunities in the areas of IT Solutions and services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

Other income - Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other income - Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally, when shareholders approve the dividend.

PALRED TECHNOLOGIES LTD. HYD.

k. Retirement and other employee benefits

Defined contribution plan

The Company's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Defined benefit plan

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through remeasurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The effect of any plan amendments are recognised in the statement of profit and loss.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as Salaries, bonus etc. is recognized on an undiscounted and accrual basis during the period when the employee renders service of the benefit.

l. Taxes

Tax expense recognized in statement of profit or loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

As at March 31, 2021 and March 31, 2020, the Company has deferred tax asset on account of unabsorbed business loss, unabsorbed tax depreciation and other items, which have not been recognized on the grounds of prudence. Consequently, there is no deferred tax asset or liability recorded in the financial statements as at reporting periods presented.

m. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

i. Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or

ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

n. Cash flow statement

The Cash flow statement is prepared as per the Indirect Method. Cash flow statement present the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

o. Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Company's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, impairment losses/write down in value of investment in subsidiaries, significant disposal of fixed assets etc.

p. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares.

q. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

r. Standards, not yet effective and have not been adopted early by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.There are no standards that are issued but not yet effective on March 31, 2021.

PALRED TECHNOLOGIES LTD. HYD.

Paired Technologies Limited
Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021
(All amounts in INR, unless otherwise stated)

3 Property, plant and equipment

	Leasehold Improvement	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Total
Gross carrying value (at deemed cost)						
Balance as at March 31, 2019	316,020	34,178	3,746,545	592,766	573,984	5,263,493
Additions	-	-	-	15,178	-	15,178
Disposals/retirement	-	-	-	-	-	-
Balance as at March 31, 2020	316,020	34,178	3,746,545	607,944	573,984	5,278,671
Additions			8,050			8,050
Disposals/retirement						
Balance as at March 31, 2021	**316,020**	**34,178**	**3,754,595**	**607,944**	**573,984**	**5,286,721**
Accumulated depreciation						
Balance as at March 31, 2019	293,137	20,336	2,568,872	524,126	527,616	3,934,087
Charge for the year	22,883	3,583	304,788	33,371	24,046	388,671
Adjustments for disposals/retirement	-	-	-	-	-	-
Balance as at March 31, 2020	316,020	23,919	2,873,660	557,497	551,662	4,322,758
Additions		2,648	225,617	9,856	11,189	249,310
Disposals/retirement						
Balance as at March 31, 2021	**316,020**	**26,567**	**3,099,277**	**567,353**	**562,851**	**4,572,068**
Net carrying value as at March 31, 2020	**-**	**10,259**	**872,885**	**50,447**	**22,322**	**955,913**
Net carrying value as at March 31, 2021	**-**	**7,611**	**655,318**	**40,591**	**11,133**	**714,653**

PAIRED TECHNOLOGIES LTD. HYD.

4 (a) **Right of Use Asset as at March 31, 2021**

Particulars	Category of ROU Asset	Total
	Buildings	
Balance as at April 1, 2020	742,603	742,603
Additions	-	-
Deletions	45,950	45,950
Depreciation	696,653	696,653
Balance as at March 31, 2021	-	-

The aggregate depreciation expenses on ROU Assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) **Lease liabilities as at March 31, 2021**

Particulars	As at March 31, 2021
i) Non-Current	-
ii) Current	-
Total	-

The movement in lease liabilities during the year ended March 31, 2021 is as follows:

Particulars	As at March 31, 2021
Balance as at April 1, 2020	806,502
Additions	-
Finance cost accrued during the year	30,734
Deletions	137,234
Payment of lease liabilities	700,002
Balance as at March 31, 2021	-

The details of the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis as follows:

Particulars	As at March 31, 2021
Less than one year	-
One year to three years	-
More than three years	-
Total	-

PALRED TECHNOLOGIES LTD. HYD.

5 Financial Assets- Investments

		As at March 31, 2021	As at March 31, 2020
A.	**Non-Current**		
	Investments in unquoted equity shares (Fully paid up, unless stated otherwise)		
	In Subsidiaries (Carried at cost)		
i)	Paired Electronics Private Limited(Formerly known as Paired Online Technologies Private Limited), principal place of business at Hyderabad, India		
	Number of shares	27,206,574	27,206,574
	Par value of each share	10	10
	% of holding	78.17%	78.17%
	Gross Carrying Amount	45,300,000	45,300,000
	Impairment towards investments	-	-
	Net Carrying Amount	**45,300,000**	**45,300,000**
ii)	**Paired Retail Private Limited, principal place of business at Hyderabad, India**		
	Number of shares	3,040,000	3,040,000
	Par value of each share	10	10
	% of holding	97.81%	97.81%
	Gross Carrying Amount	30,400,000	30,400,000
	Impairment towards investments	-	-
	Net Carrying Amount	**30,400,000**	**30,400,000**
iii)	**Paired Technology Services Private Limited, principal place of business at Hyderabad, India**		
	Number of shares	13,010,000	13,010,000
	Par value of each share	10	10
	% of holding	100%	100%
	Gross Carrying Amount	52,376,900	52,376,900
	Impairment towards investments	47,514,438	-
	Net Carrying Amount	**4,862,462**	**52,376,900**
	Total	**80,562,462**	**128,076,900**
B.	Current		
	Investments in mutual funds, non-trade, unquoted		
	2199.586 units (March 31, 2020 : 2834.153 units) of Kotak Arbitrage Fund - Monthly Dividend Reinvestment plan	2,294,575	2,867,086
	Total	**2,294,575**	**2,867,086**
	Note:		
	Aggregate amount of quoted investments	2,294,575	2,867,086
	Aggregate book value of unquoted investments	80,562,462	128,076,900
	Aggregate amount of impairment of value in investment	47,514,438	-

The investment in subsidiaries are tested for impairment annually or more frequently if there are indications that investmentsl might be impaired. During the financial year ended March 31, 2021, due to increase in the competition and the customer acquisition costs, the management has estimated the recoverable amount of investments in subsidiaries based on the projections of recoverable amounts of recognized assets and liabilities of Paired Group and market valuation of the Company. On the basis of management evaluation, the aggregate carrying amount of investment in Paired Technology Services Private Limited exceeds the aggregate recoverable amount by INR 4,75,14,438 and accordingly, the Board of Directors of the Company have considered to create a provision against such investments in Paired Technology Services Private Limited amounting to INR 4,75,14,438 for the year ended March 31, 2021 under exceptional item, considering the significance of them.

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Palred Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021

(All amounts in INR, unless otherwise stated)

6	Other non-current assets	As at March 31, 2021	As at March 31, 2020
	Advance tax (net of provision)	25,369,700	23,239,270
	Balances with government authorities	174,612	999,492
	Total other non-current other assets	**25,544,312**	**24,238,762**

7	Trade receivable	Non-Current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Secured, considered good	-	-	-	-
	Unsecured				
	-Considered good	-	-	82,963	3,224,355
		-	-	82,963	3,224,355
	Further classified as:				
	Receivable from related parties (Refer Note below)	-	-	82,963	3,224,355
	Receivable from others	-	-	-	-
		-	-	82,963	3,224,355

Note : Include due from following Companies in which the Company is having common directors:

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Palred Electronics Private Limited	-	-	82,841	2,416,757
Palred Retail Private Limited	-	-		370,766
Palred Technology Services Private Limited	-	-	122	436,832
	-	-	82,963	3,224,355

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

8 Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Balances with banks		
On current accounts	379,002	790,692
Cash on hand	21,679	48,744
	400,681	839,436

9 Bank balances other than Cash and cash equivalent	As at March 31, 2021	As at March 31, 2020
Balance in unpaid dividend account*	3,403,237	3,403,237
Balance in unpaid capital reduction account**	1,359,835	1,359,836
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	140,000,000	140,000,000
	144,763,072	144,763,073

Note:

The Subsidiary entities (Palred Electronics Private Limited and Palred Technology Services Private Limited) taken the over draft facilities from ICICI Bank against the Fixed deposits.

*Unpaid dividend balance of INR 34,03,237 outstanding as on March 31, 2021 completed 7 years and the company is in the process of transferring the amount to Investor education & Protection fund (IEPF).

**Capital reduction account balance of INR 13,59,835 outstanding as on March 31, 2021 which will complete the 7 year timeline by March 31, 2023.

10 Other financial assets	As at March 31, 2021	As at March 31, 2020
Interest accrued on fixed deposits	11,645,356	4,822,513
Accrued income	1,115,248	765,112
	12,760,604	5,587,625

11 Other current assets	As at March 31, 2021	As at March 31, 2020
Advance recoverable	196,172	46,328
Prepaid expenses	5,183	66,181
Total	201,355	112,509

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021
(All amounts in INR, unless otherwise stated)

12 Share capital

Equity shares	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorized				
Equity shares of INR 10 each	28,038,800	280,388,000	28,038,800	280,388,000
14% Preference Shares of INR100 each	696,120	69,612,000	696,120	69,612,000
Issued, subscribed and paid up				
Equity shares of INR 10 each fully paid	9,732,566	97,325,660	9,732,566	97,325,660
Total	9,732,566	97,325,660	9,732,566	97,325,660

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year	For the period ended March 31, 2021		For the period ended March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	9,732,566	97,325,660	9,732,566	97,325,660
Add: Issued during the year	-	-	-	-
Balance at the end of the year	9,732,566	97,325,660	9,732,566	97,325,660

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in INR. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% equity shares in the Company

Name of the equity shareholder	As at March 31, 2021		As at March 31, 2020	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Stuthi Reddy	1,000,000	10.27%	1,000,000	10.27%
Supriya Reddy Palem	1,000,000	10.27%	1,000,000	10.27%
Sanhita Reddy	1,000,000	10.27%	1,000,000	10.27%
Passage to India Master Fund Limited	701,586	7.21%	701,586	7.21%
Ashish Dhawan	678,189	6.97%	678,189	6.97%
Palem Srikanth Reddy *	602,261	6.19%	602,261	6.19%

Note:
*During the financial year Mr. Palem Srikanth Reddy was expired. The shares are yet to be transferred to his nominee Ms. Supriya Reddy Palem.

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) Capital reduction of equity shares during 5 years immediately preceding the Balance Sheet date

Subsequent to the approval of the High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh for reduction of 60% of the paid up equity share capital during the financial year ended March 31, 2016, the Company has returned an amount of INR 16.50 at a premium of INR 11.50 per share and cancelled extinguished 60% of the equity shares of the Company of face value of INR 5 each in July 2015. After reduction, the issued, subscribed and paid-up equity share capital of INR 19,51,84,850 consisting of INR 3,90,36,970 equity shares of INR 5 each fully paid-up was reduced to INR 7,80,73,940 consisting of INR 1,56,14,788 equity shares of INR 5 each.

	Number of shares
	April 1, 2015 to March 31, 2021
Aggregate number of capital reduction of equity shares	23,422,182

PALRED TECHNOLOGIES LTD. HYD.

13 Other equity

	As at March 31, 2021	As at March 31, 2020
Reserves and surplus		
Capital Reserve	14,280,000	14,280,000
Securities premium	672,030,093	672,030,093
General reserve	132,524,353	132,524,353
Retained earnings	(656,717,935)	(613,333,719)
Total reserves and surplus	**162,116,511**	**205,500,727**
Other Comprehensive Income		
Remeasurement of defined benefit plan	(326,011)	(347,659)
Total other comprehensive income	**(326,011)**	**(347,659)**
Total Other equity	**161,790,500**	**205,153,068**

Nature and Purpose of reserve:

i. **Capital Reserve**

The reserve represents creation of capital reserve pursuant to the scheme of amalgamation. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

ii. **Securities Premium Account**

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and face value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

iii. **General reserve**

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iv. **Remeasurement of defined benefit plan**

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit or loss.

14 Provisions

	As at March 31, 2021	As at March 31, 2020
Non-current		
Gratuity (refer note below)	1,348,918	1,288,538
	1,348,918	**1,288,538**
Current		
Gratuity (refer note below)	33,297	14,662
	33,297	**14,662**

Note:

The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionally 15 days salary multiplied for the number of the years of service. The gratuity plan is unfunded. The assumptions used in accounting for the gratuity plan are set out below.

	As at March 31, 2021	As at March 31, 2020
i. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	1,303,200	377,087
Service cost	225,944	154,439
Interest cost	78,713	60,125
Actuarial (gain) / loss	(21,648)	293,717
Settlements	(203,994)	417,832
Benefits paid	-	-
Projected benefit obligation at the end of the year	**1,382,215**	**1,303,200**
ii. Expense recognized in the statement of profit and loss		
Service cost	225,944	154,439
Interest cost	78,713	60,125
Expected returns on plan assets		
Net gratuity costs	**304,657**	**214,564**
iii. Expense recognized in OCI		
Recognized net actuarial (gain)/ loss	(21,648)	293,717
iv. Key actuarial assumptions		
Financial assumptions		
Discount rate	6.86%	6.04%
Salary escalation rate	7.00%	7.00%
Demographic assumptions	For Service 4 years and below 5%	
	For Service 5 years and above 2%	

Mortality rate as per Indian Assured Lives Mortality 2012-14 table

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v. **Sensitivity Analysis**

Projected defined benefit obligation

Delta effect of +1% change in discount rate	(144,196)	(132,041)
Delta effect of -1% change in discount rate	168,028	155,605
Delta effect of -1% change in salary escalation rate	89,519	121,423
Delta effect of -1% change in salary escalation rate	(84,758)	(132,087)

vi. **Maturity analysis of projected benefit obligation**

1 year	33,297	26,943
2 to 5 years	155,486	291,441
6 to 10 years	254,673	169,644
More than 10 years	2,914,870	2,349,778

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to these assumptions. Sensitivity to these factors is disclosed above.

15 Other financial liabilities	As at March 31, 2021	As at March 31, 2020
Current		
Unpaid dividends	3,403,237	3,403,237
Unclaimed capital reduction	1,359,835	1,359,835
Other Payables	1,867,253	1,830,608
Total other financial liabilities	**6,630,325**	**6,593,680**

16 Other current liabilities	As at March 31, 2021	As at March 31, 2020
Statutory dues payable	195,977	226,152
Total other current liabilities	**195,977**	**226,152**

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Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021
(All amounts in INR, unless otherwise stated)

17 Revenue from operations	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Services:		
E commerce fulfilment charges	1,702,922	1,519,740
Management fees	13,398,779	7,719,026
Total revenue from operations	**15,101,701**	**9,238,766**

18 Other income	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	7,897,982	10,154,392
Dividend From Mutual Funds	127,489	267,086
Miscellaneous Income	91,284	
Total other income	**8,116,755**	**10,421,478**

19 Employee benefits expense	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages, bonus and other allowances	8,778,698	10,250,146
Contribution to Provident Fund	151,689	193,970
Gratuity expenses (Refer note 14)	304,657	214,564
Staff welfare expenses	105,922	241,135
	9,340,966	**10,899,815**

20 Finance cost	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense on lease liability	30,734	87,965
	30,734	**87,965**

21 Depreciation and amortization expense	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	249,310	388,671
Depreciation of ROU Assets	696,653	742,604
	945,963	**1,131,275**

22 Other expenses	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates and taxes	1,383,712	1,180,126
Office expenses	1,514,860	2,011,836
Communication, broadband and internet expenses	55,167	107,146
Postage and courier	14,636	2,240
Insurance	7,959	12,292
Travelling and conveyance	118,985	1,136,286
Legal and professional charges	1,321,955	1,212,035
Auditor's Remuneration (Refer Note below)	1,400,000	1,200,000
Sitting Fees	30,000	20,000
Hosting Expenses	1,891,384	1,501,573
Advertisement	1,026,400	14,880
Donations	-	15,000
Miscellaneous expenses	5,514	11,389
	8,770,571	**8,424,803**

Note : The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)

	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor:		
Statutory audit	1,400,000	1,200,000
Total	**1,400,000**	**1,200,000**

23 Exceptional items

	For the year ended March 31, 2021	For the year ended March 31, 2020
Impairment Cost	47,514,438	-
	47,514,438	-

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24 Earnings per equity share (EPES)

Basic earnings /(loss) per share amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the loss and share data used in the basic and diluted EPS computations:

	March 31, 2021	March 31, 2020
Loss attributable to equity holders	(43,384,216)	(883,614)
Weighted average number of equity shares	9,732,566	9,732,566
Basic loss per share (INR)	(4.46)	(0.09)
Diluted loss per share (INR)	(4.46)	(0.09)

25 Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data either directly or indirectly.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial assets and financial liabilities measured at fair value	As at March 31, 2021		As at March 31, 2020	
	Level 1	Level 2	Level 1	Level 2
Financial assets				
Current Investments	2,294,575	-	2,867,086	-

There are no transfers between levels during the year. The Companys policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(iii) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Current Investments	2,294,575	-	2,867,086	-
Trade receivables	-	82,963	-	3,224,355
Cash and cash equivalents	-	400,681	-	839,436
Other Bank balances	-	144,763,072	-	144,763,073
Other financial assets	-	12,760,604	-	5,587,625
Total financial assets	2,294,575	158,007,320	2,867,086	154,414,489
Financial liabilities				
lease liability	-	-	-	806,502
Other financial liabilities	-	6,630,325	-	6,593,680
Total financial liabilities	-	6,630,325	-	7,400,182

iv. The Company's principal financial liabilities, comprise other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPL investments.

The carrying amounts of trade receivables, and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

For financial assets measured at fair values, the carrying amounts are equal to the fair values.

26 Financial instruments risk management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Company's risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks:

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A. Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from adverse changes in market rates (such as interest rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments. The Company's exposure to market risk is a function of investing activities.

B. Credit risk

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period. None of the Company's cash equivalents, including term deposits (i.e. certificates of deposits) were past due or impaired as at the reporting periods.

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company's principle sources of liquidity are cash and cash equivalents and current investments. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding. The Company had following working capital at the end of the reporting year.

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets	160,503,250	157,394,084
Current liabilities	6,859,599	7,640,996
Working Capital	153,643,651	149,753,088

27 Capital risk management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to shareholders. The Company manages its capital structure and make adjustment in light of changes in business condition. The overall strategy remains unchanged as compared to last year. There is no debt in the Company as on the reporting dates presented and accordingly, gearing ratio is nil as at various reporting dates.

28 Related Party disclosures

(a) Names of the related parties and nature of relationship

Names of related parties	Country	Nature of relationship
Palred Electronics Private Limited-Subsidiary	India	Subsidiary
Palred Retail Private Limited-Subsidiary	India	Subsidiary
Palred Technology Services Private Limited	India	Step-down subsidiary
Mr. Palem Srikanth Reddy		Key Management Personnel
Mr. Pinekalapati Harish Naidu, CFO		Key Management Personnel
Mrs. Shruti Rege, Company Secretary		Key Management Personnel
Mr. Murthy MVLN		Key Management Personnel
Ms. Supriya Reddy		Key Management Personnel
Ms. Stuthi Reddy		Key Management Personnel

(b) Transactions with related parties:

Related Party	Transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
Palred Electronics Private Limited	Investment in equity shares	-	10,000,000
Palred Retail Private Limited	Investment in equity shares	-	10,000,000
Palred Technology Services Private Limited	Investment in equity shares	-	20,000,000
Palred Electronics Private Limited	Ecom Fulfilment Services	38,625	117,700
Palred Retail Private Limited	Ecom Fulfilment Services	1,660,777	1,397,575
Palred Technology Services Private Limited	Ecom Fulfilment Services	3,520	4,465
Palred Electronics Private Limited	Corporate guarantee	300,000,000	-
Palred Electronics Private Limited	Pledge of fixed deposits against working capital limits	85,500,000	76,000,000
Palred Technology Services Private Limited	Pledge of fixed deposits against working capital limits	38,000,000	57,000,000
Palred Electronics Private Limited	Management Fee	11,224,023	5,393,444
Palred Retail Private Limited	Management Fee	828,359	525,582
Palred Technology Services Private Limited	Management Fee	1,346,397	1,800,000
Mr. Palem Srikanth Reddy	Remuneration*	1,000,000	3,000,000
Mr. Palem Srikanth Reddy	Reimbursement of expenses	81,539	979,262
Mr. Pinekalapati Harish Naidu	Salaries including bonuses	2,791,667	2,500,000
Mr. Pinekalapati Harish Naidu	Reimbursement of expenses	2,050	80,181
Mr. Murthy MVLN	Reimbursement of expenses	639,859	-
Mrs. Shruti Rege	Salaries including bonuses	642,904	601,000
Ms. Supriya Reddy	Salaries including bonuses	1,000,000	-
Ms. Supriya Reddy	Reimbursement of expenses	222,042	
Ms. Stuthi Reddy	Rent	700,000	766,670

*Remuneration not include post employment benefits and other long term employee benefit expenditure which are computed for Company as a whole.

(c) Balances receivable/(payables)	As at March 31, 2021	As at March 31, 2020
Palred Electronics Private Limited	82,841	2,416,257
Palred Retail Private Limited	-	370,766
Palred Technology Services Private Limited	122	436,832
Mr. Palem Srikanth Reddy	-	(38,331)
Ms. Stuthi Reddy	(73,667)	(36,000)

PALRED TECHNOLOGIES LTD. HYD.

29 **Contingent liabilities and pending litigations**

	As at March 31, 2021	As at March 31, 2020
Claim against company not acknowledged as debt - (Income Tax)		
Assessment year 2006-07 onwards - refer note below	60,200,000	6,543,380

Note:

Pursuant to the Income tax assessment for the Assessment year 2006-07 onwards, the Company had received various demands from the Income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law and compliances with the arm's length guidelines in relation to international transactions with associated enterprises. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities and the necessary advise received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to the financial statements in this regard.

30 **Segment reporting**

The operations of the company are predominantly related to the trading in electronic products, fashion accessories and providing related services. As such there is only one primary reportable segment as per IND AS 108 'Operating Segments'.

31 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

32 The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

33 The standalone financial statements are approved for issue by the Company's Board of Directors on June 26, 2021.

34 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

For and on behalf of the Board of Directors of
Palred Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P Digitally signed by SUPRIYA REDDY P Date: 2021.06.25 13:40:02 +05'30'

Supriya Reddy
Chairperson & director
DIN: 00055870

Place: Hyderabad
Date: June 26, 2021

Pinakalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

MVLM Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

PALRED TECHNOLOGIES LTD. HYD.

MSKA & Associates
Chartered Accountants

1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Telangana State, Hyderabad 500072, INDIA
Tel: +91 40 6814 2999

INDEPENDENT AUDITOR'S REPORT

To the Members of **Palred Technologies Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Palred Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other financial information of subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of its consolidated loss and the consolidated total other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of ethics issued by Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 38 to the financial statements which states that management has made an assessment of the impact of COVID-19 on the group's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the information and we do not express any form of assurance conclusion there on.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the consolidated Financial Statements.

Other Matter

a. We did not audit financial statements of three subsidiaries whose financial information reflects total assets (before consolidation adjustments) of Rs. 165.98 lacs as at March 31, 2021, total revenues (before consolidation adjustments) of Rs. 161.63 lacs, total net loss and other comprehensive loss (before consolidation adjustments) of Rs. 20.33 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial information . In our opinion and according to the information and explanation given to us by the management, this information is not material to the group.

   Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of above matter with respect to our reliance on the financial information certified by the management.

Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”; and

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 36 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 21214198AAAACZ6457

Place: Hyderabad
Date: June 26, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PALRED TECHNOLOGIES LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial

statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor’s report unless law or regulation procedures public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 21214198AAAACZ6457

Place: Hyderabad
Date: June 26, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PALRED TECHNOLOGIES LIMITED

[*Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Palred Technologies Limited on the consolidated financial statements for the year ended March 31, 2021*]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Palred Technologies Limited (the Holding Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the ''Group'' as at and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of the Holding Company and its three subsidiary companies which are companies covered under the Act at that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are the companies covered under the Act , has in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to consolidated financial statements criteria established by the Holding Company and its subsidiary companies incorporated in India , considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

MSKA & ASSOCIATES Hyderabad Chartered Accountants

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 21214198AAAACZ6457

Place: Hyderabad
Date: June 26, 2021

Palred Technologies Limited
Consolidated Balance Sheet as at March 31, 2021
(All amount in INR, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,661,831	4,171,485
Right of Use Asset	4 (a)	21,319,842	17,928,075
Intangible assets	5	626,931	742,410
Financial assets			
Other financial assets	6	3,432,377	2,875,827
Other non-current assets	7	34,257,881	31,387,066
Total non-current assets		63,298,862	57,104,863
Current assets			
Inventories	8	148,313,033	117,967,147
Financial assets			
Investments	9	2,294,575	2,867,086
Trade receivables	10	171,510,777	55,019,339
Cash and cash equivalents	11	8,504,769	39,642,614
Bank balances other than cash and cash equivalents	12	174,045,525	145,612,209
Other financial assets	13	16,339,920	6,860,809
Other current assets	14	90,606,117	56,730,421
Total current assets		611,614,716	424,699,625
Total assets		674,913,578	481,804,488
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	97,325,660	97,325,660
Other equity	16	195,716,064	172,533,773
Equity attributable to owners		293,041,724	269,859,433
Non Controlling Interest		24,591,338	15,521,825
Total Equity		317,633,062	285,381,258
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	17	3,000,000	2,000,000
Provisions	18	4,143,963	2,996,731
Total non-current liabilities		7,143,963	4,996,731
Current liabilities			
Financial liabilities			
Borrowings	19	278,671,391	120,941,732
Trade payables			
i)total outstanding dues of micro enterprises and small enterprises			
ii)total outstanding dues of creditors other than micro enterprise and small enterprise	20	18,084,270	27,455,516
Lease liability	4 (b)	22,398,526	19,338,877
Other financial liabilities	17	29,151,862	21,146,239
Other current liabilities	21	1,745,103	2,212,789
Provisions	18	85,401	331,346
Total current liabilities		350,136,553	191,426,499
Total liabilities		357,280,516	196,423,230
Total equity and liabilities		674,913,578	481,804,488

See accompanying notes to the consolidated financial statements 1-40

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

PALRED TECHNOLOGIES LTD. HYD.

For and on behalf of the Board of Directors
Palred Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P Digitally signed by SUPRIYA REDDY P Date: 2021.06.25 13:44:24 +05'30'

Supriya Reddy
Chairperson & Managing director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

MVLN Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Pinekalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

Paired Technologies Limited

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(All amount in INR, unless otherwise stated)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	22	1,170,022,222	455,587,829
Other income	23	17,794,335	15,638,291
Total income		**1,187,816,557**	**471,226,120**
Expenses			
Purchase of stock-in-trade		847,670,579	371,635,905
Changes in inventories of stock-in-trade	24	(25,396,009)	(77,546,161)
Employee benefits expense	25	68,861,177	58,283,676
Finance cost	26	27,369,072	9,434,528
Depreciation and amortization expense	27	7,136,221	7,565,980
Other expenses	28	227,970,702	147,922,435
Total expenses		**1,153,611,742**	**517,296,363**
Loss before exceptional items		34,204,815	(46,070,243)
Exceptional items		-	-
Loss for the period		**34,204,815**	**(46,070,243)**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(775,964)	(1,209,783)
		(775,964)	**(1,209,783)**
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		584,038	(896,633)
		584,038	(896,633)
Other comprehensive income for the year, net of tax		**(191,926)**	**(2,106,416)**
Total comprehensive loss for the year		**34,396,741**	**(48,176,659)**
Attributable to:			
Owners of PTL		25,135,303	(46,561,352)
Non-controlling interests		9,069,513	491,109
Profit is attributable to:			
Owners of PTL		25,360,133	(48,667,769)
Non-controlling interests		9,036,608	491,109
Other comprehensive income is attributable to:			
Owners of PTL		224,829	(2,106,418)
Non-controlling interests		-	-
Earnings per equity share			
Basic & Diluted earnings per equity share	29	2.58	(4.78)
Weighted average number of equity shares outstanding during the year and considered for calculation of basic and diluted EPES		9,732,566	9,732,566
Nominal value per equity share		10.00	10.00

See accompanying notes to the consolidated financial statements 1-40

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

PAIRED TECHNOLOGIES LTD HYD.

For and on behalf of the Board of Directors of
Paired Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P Digitally signed by SUPRIYA REDDY P Date: 2021.06.25 13:44:55 +05'30'

Supriya Reddy
Chairperson & Managing director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

Pinekalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

MVLN Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

Paired Technologies Limited

Consolidated statement of changes in equity for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

(A) Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid				
Opening	9,732,566	97,325,660	9,732,566	97,325,660
Add: issue during the year	-	-	-	-
Closing	9,732,566	97,325,660	9,732,566	97,325,660

(B) Other equity

	Reserves and surplus				Other Comprehensive Income		Total attributable to owners of parent	Non controlling interests	Total
	Capital Reserve	Security premium	General reserve	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit plans			
Balance as at March 31, 2019	14,280,000	672,030,093	132,524,353	(602,968,078)	1,589,996	460,809	217,917,173	15,210,029	233,127,202
Issue of equity shares	-	-	-	-	-	-	-	-	-
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	-	-	-
Contribution to Non-Controlling interests (NCI)	-	-	-	4,011,971	-	-	4,011,971	-	4,011,971
Net Loss for the year	-	-	-	(46,561,352)	-	-	(46,561,352)	491,109	(46,070,243)
Other comprehensive income (OCI)	-	-	-	-	(1,209,793)	(896,633)	(2,106,416)	-	(2,106,416)
Other adjustments	-	-	-	(727,603)	-	-	(727,603)	(179,313)	(906,916)
Balance as at March 31, 2020	14,280,000	672,030,093	132,524,353	(646,245,062)	380,213	(435,824)	172,533,773	15,521,825	188,055,598
Issue of equity shares							-		-
Acquisition of additional interest in subsidiary				-			-		-
Contribution to Non-Controlling interests (NCI)				-			-		-
Net Loss for the year				25,135,303			25,135,303	9,069,513	34,204,816
Other comprehensive income (OCI)					-1,985,747	584,038	(1,401,709)		(1,401,709)
Other adjustments				(551,303)			(551,303)		(551,303)
Balance as at March 31, 2021	14,280,000	672,030,093	132,524,353	-621,661,062	-1,605,534	148,214	195,716,064	24,591,338	220,307,402

See accompanying notes to the consolidated financial statements 1-40

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

PALRED TECHNOLOGIES LTD. HYD.

For and on behalf of the Board of Directors of
Palred Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P
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Date: 2021.06.25 13:45:24 +05'30'

Supriya Reddy
Chairperson & Managing director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

MVLN Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Pinekalapad Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

Shruti Bage
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

Paired Technologies Limited
Consolidated statement of cash flows for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Loss before tax	34,204,815	(46,070,243)
Adjustments for:	-	
Depreciation and amortization expenses	7,136,221	7,565,980
Dividend on Mutual Fund	(127,489)	(450,346)
Finance cost	27,369,072	9,434,528
Interest income	(9,197,329)	(10,905,478)
Impairment loss	-	-
Unrealised Forex Gain, net	2,113,625	(1,193,763)
Balances written off	(1,509,908)	-
(Gain)/ loss on sale of fixed assets	-	85,467
Operating loss before working capital changes	59,989,006	(41,533,856)
Changes in working capital		
(Decrease)/ increase in trade payables	(9,371,246)	21,278,207
(Decrease)/ increase in inventories	(30,345,886)	(75,954,014)
(Decrease)/ increase in trade receivables	(116,491,438)	(40,176,615)
(Decrease)/ increase in other current liabilities	(467,686)	(3,100,414)
(Decrease)/ increase in non-current liabilities	11,960,222	20,025,987
(Decrease)/ increase in provisions	(245,949)	1,595,998
(Increase)/ decrease in other financial liabilities	-	-
Decrease/ (increase) in other financial assets	(12,906,476)	1,821,110
Decrease/ (increase) in other current assets	(33,875,696)	(27,596,696)
Cash generated used in operations	(131,755,149)	(143,590,293)
Taxes paid	(1,172,071)	(3,092,124)
Net cash flows used in operating activities (A)	(132,927,220)	(146,682,417)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,148,913)	(18,443,557)
Net proceeds from mutual funds	572,511	(420,000)
Dividend income from mutual funds	127,489	450,346
Proceeds from sale/ disposal of fixed assets	-	55,000
Net proceeds from fixed deposits	(28,433,316)	47,209,395
Interest received	-	7,587,628
Net cash flow from investing activities (B)	(28,882,229)	36,438,812
Cash flow from Financing activities		
Proceeds from issuance of equity share capital	-	-
Proceeds from short-term borrowings	157,729,659	120,941,732
Interest paid	(24,944,430)	(9,434,528)
Net cash flow from financing activities (C)	132,785,229	111,507,204
Net increase in cash and cash equivalents (A+B+C)	(29,024,220)	1,263,599
Cash and cash equivalents at the beginning of the year	39,642,614	37,185,252
Effect on exchange rates	(2,113,625)	1,193,763
Cash and cash equivalents at the end of the year	8,504,769	39,642,614
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	8,333,610	39,438,124
Cash on hand	171,159	204,490
Total cash and bank balances at end of the year	8,504,769	39,642,614

See accompanying notes to the consolidated financial statements 1-40

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

PALRED TECHNOLOGIES LTD. HYD.

For and on behalf of the Board of Directors of
Palred Technologies Limited
CIN: L72200TG1999PLC033131

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Supriya Reddy
Chairperson & Managing director
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Place: Hyderabad
Date: June 26, 2021

MVLN Murthy
Director
DIN: 07010804

Place: Hyderabad
Date: June 26, 2021

Pinekalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

Shruti Rege
Company Secretary
Membership No: A43523

Place: Hyderabad
Date: June 26, 2021

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

1 Corporate information

The Consolidated financial statements of "Palred Technologies Limited" ("the Company" or "Parent Company") and its subsidiaries (Collectively referred to as "Group") are for the year ended March 31, 2021. The Company is a public company incorporated and domiciled in India and incorporated in accordance with the provisions of the erstwhile Companies Act, 1956. The Company's registered office is at 8-2-703/2/B/,Plot No: 2,Road No.12,Banjara Hills,Hyderabad,Telangana-500 034. Its shares are listed on two recognised stock exchanges of India, the National Stock Exchange of India Limited and BSE Limited. The Group is primarily engaged into trading in mobiles, electronic products, fashion accessories and providing related services.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2021 and authorised for issue on June 26, 2021.

2 Basis of preparation

Compliance with Ind AS

The consolidated financial statements of the Company along with its subsidiaries (together referred to as "Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, issued by the Ministry of Corporate Affairs ("MCA").

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant IND AS that are effective at the Company's annual reporting date March 31, 2021.

The consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items in the Balance sheet:
i) Certain financial assets and liabilities measured either at fair value; and
ii) Net defined assets/ (Liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Groups exposed, or variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Especially, the Group controls an investee if and only if the Group has:

i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
ii. Exposure, or rights, to variable returns from its involvement with the investee, and
iii. The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, The Group considers all relevant facts and circumstances in assessing whether has power over an investee, including:

i. The contractual agreement with the other voting holders of the investee
ii. Rights arising from other contractual agreements.
iii. The Group's voting rights and potential voting rights.
iv. The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31, 2021. When the end of the reporting period of the Parent Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent Company to enable the Parent Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill or capital reserve.

iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

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The following subsidiaries have been considered for the purpose of preparation of the consolidated financial statements:

Name of the Company	Country	Relationship	Percentage holding/ interest %	
			As at March 31, 2021	As at March 31, 2020
Paired Electronics Private Limited ('PEP') (formerly known as Paired Online Technologies Private Limited)	India	Subsidiary	78.17%	78.17%
Paired Retails Private Limited (PRP)	India	Subsidiary	97.81%	97.81%
Paired Technology Services Private Limited ('PTS')	India	Subsidiary	100.00%	100.00%
Paired Online Technologies Limited ('POT')	Hong Kong	Subsidiary of PEP	100.00%	100.00%
Paired Technology Shenzhen Company Ltd	China	Subsidiary of POT	100.00%	100.00%
Paired Online Bilism Teknoljileri Ticaret Anonim Sirketi	Turkey	Subsidiary of PEP	100.00%	100.00%
Paired Technology Services Inc.*	USA	Subsidiary of PTS	-	100.00%

* Paired Technology Services Inc, incorporated in United States of America, the wholly owned subsidiary of Paired Technology Services Private Limited has been Liquidated in July 2020.

(I) **Use of estimates and judgements**

The preparation of consolidated financial statements in conformity with Ind AS requires the Management to make judgements, estimate and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and in any future periods effected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

i. Note (c) and (d) – Useful lives of property, plant and equipment and other intangible assets;
ii. Note (e) – Impairment;
iii. Note (h) – Financial instruments;
iv. Note (l) – Employee benefits;
v. Note (o) – Provisions, contingent liabilities and contingent assets; and
vi. Note (n) – Income taxes

(II) **Summary of significant accounting policies**

The consolidated financial statements have been prepared using the accounting policies and measurement basis summarized below.

a. **Functional Currency**

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Group. All financial information presented in Indian rupees has been rounded to the nearest Rupee, unless otherwise stated.

b. **Current and non-current classification**

All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria set out in the Division II- Ind AS Schedule III to the Act. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:
i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
ii. Held primarily for the purpose of trading.
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:
i. It is expected to be settled in normal operating cycle.
ii. It is held primarily for the purpose of trading.
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Current assets/ liabilities include the current portion of non Current assets/liabilities respectively. All other assets/ liabilities including deferred tax assets and liabilities are classified as non-current.

c. **Property, plant and equipment (PPE)**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes (other than those subsequently recoverable from tax authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (Major components) of PPE.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances. Capital Work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

Depreciation on property, pant and equipment is calculated on pro-rata basis on written down value method using the useful lives of the assets estimated by management. The useful life is as follows:

Asset	Useful life (in years)
Leasehold improvement*	Lease period
Plant & Machinery	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

PAIRED TECHNOLOGIES LTD. HYD.

Depreciation on additions/ disposals is provided on pro-rata basis i.e. from/ up to the date on which asset is ready for use/ disposed-off.

The useful lives are based on historical experience with similar assets as well as anticipation of future events. The residual values are not more than 5% of the original cost of the assets. The residual values, useful lives and method of depreciation are reviewed at each financial year- end and adjusted retrospectively, if appropriate.

d. **Intangible assets**

Other intangible assets are stated at cost of acquisition less accumulated amortization and impairment. These are derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The other intangible assets comprise of computer software expenditure and are amortized over a period of three years. The amortization period and the amortization method for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

e. **Impairment**

Impairment of non-financial assets

The carrying amounts of the Group's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit or loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

f. **Leases:**

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, group's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following: -

i. Fixed payments, including in-substance fixed payments;

ii. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

iii. Amounts expected to be payable under a residual value guarantee; and

iv. The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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Comparative information under Ind AS 17

In the comparative period, as a lessee the Group classified leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Group. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Land under perpetual lease for is accounted as finance lease which is recognized at upfront premium paid for the lease and the present value of the lease rent obligation. The corresponding liability is recognised as a finance lease obligation. Land under non-perpetual lease is treated as operating lease.

Operating lease payments for land are recognised as prepayments and amortised on a straight-line basis over the term of the lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

g. **Inventories:**

Inventories comprise of stock-in-trade and packing materials

Stock-in-trade are valued at lower of cost and net realisable value after providing for obsolescence, if any. Cost includes purchase price, import duties and other taxes excluding taxes those are subsequently recoverable from the concerned authorities, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Cost of inventories is determined using the weighted average cost method.

Packing material is carried at cost. Cost of packing material is determined using the weighted average cost method

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to complete the sales.

The factors that the Group considers in determining the allowance for slow moving, obsolete and other non-saleable inventory include estimated life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Group's business and markets. The Group considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

h. **Financial instruments**

Initial Recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at

i. amortised cost;

ii. fair value through other comprehensive income ("FVTOCI") - debt investment;

iii. FVTOCI - equity investment; or

iv. FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

i. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

FVTOCI - debt investment

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

i. the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity Investment

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI - equity investment). This election is made on an investment by- investment basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or loss.

FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss. Any gain or loss on derecognition is also recognised in statement of profit or loss.

De-recognition

Financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of profit or loss, since the Group's hedging instruments did not qualify for hedge accounting in accordance with the Ind-AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposit held at call with financial institutions, other short – term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Dividend distribution to equity holders of the Company

The Group recognises a liability to make dividend distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

i. **Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

j. **Investments in the nature of equity in subsidiaries**

The Company has elected to recognise its investments in equity instruments in subsidiaries at cost in the separate financial statements in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

The Company regardless of the nature of its involvement with an entity (the investee), determines whether it is a parent by assessing whether it controls the investee. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Company controls an investee if and only if it has all the following:

(a) power over the investee;
(b) exposure, or rights, to variable returns from its involvement with the investee and
(c) the ability to use its power over the investee to affect the amount of the returns.

Investments are accounted in accordance with Ind AS 105 when they are classified as held for sale. On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. **Revenue recognition**

The Group has adopted Ind AS 115- Revenue from Contracts with customers, using modified retrospective application method with effect from April 1, 2018 and accordingly these consolidated financial statements are prepared in accordance with the recognition and measurement principles laid down in Ind AS 115. The application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the consolidated financial statements of the Group as the Group is yet to identify the business opportunities in the areas of IT Solutions and services.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

Other Income – Interest Income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other Income - Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally, when shareholders approve the dividend.

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l. Retirement and other employee benefits

Defined contribution plan

The Group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Defined benefit plan

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through remeasurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The effect of any plan amendments are recognised in the statement of profit and loss.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as Salaries, bonus etc. is recognized on an undiscounted and accrual basis during the period when the employee renders service of the benefit.

m. Borrowing Cost

Borrowing cots consists of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Borrowing costs attributable to acquisition and/or qualifying assets are capitalised as a part of the cost of such assets are ready for their intended use. Other borrowing costs are charged to the statements of profit and loss.

n. Taxes

Tax expense recognized in statement of profit or loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Current Income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Group and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

As at March 31, 2021 and March 31, 2020, the Group has deferred tax asset on account of unabsorbed business loss, unabsorbed tax depreciation and other items, which have not been recognized on the grounds of prudence. Consequently, there is no deferred tax asset or liability recorded in the consolidated financial statements as at reporting periods presented.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

i. Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or

ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

p. Cash flow statement

The Cash flow statement is prepared as per the Indirect Method. Cash flow statement present the cash flows by operating, financing and investing activities of the Company. Operating cash flows are arrived by adjusting profit or loss before tax for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

q. Exceptional items

Exceptional items are transactions which due to their size or incidence are separately disclosed to enable a full understanding of the Group's financial performance. Items which may be considered exceptional are significant restructuring charges, gains or losses on disposal of investments in subsidiaries, impairment losses/write down in value of investment in subsidiaries, significant disposal of fixed assets etc.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares.

s. Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

t. Standards, not yet effective and have not been adopted early by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020. There are no standards that are issued but not yet effective on March 31, 2021

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

3 Property, plant and equipment

	Leasehold Improvement	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installation	Total
Gross carrying value (at deemed cost)							
Balance as at March 31, 2019	1,752,962	89,725	9,660,965	2,243,679	7,955,705	785,666	22,488,702
Additions	-	-	27,500	230,166	204,500	55,857	518,023
Disposals/retirement	-	-	-	-	-	316600	316,600
Balance as at March 31, 2020	1,752,962	89,725	9,688,465	2,473,845	8,160,205	524,923	22,690,125
Additions	4,746	-	302,707	177,872	440,833	133,000	1,059,159
Disposals/retirement							
Balance as at March 31, 2021	1,757,708	89,725	9,991,172	2,651,717	8,601,039	657,923	23,749,284
Accumulated depreciation							
Balance as at March 31, 2019	1,724,358	75,883	5,800,034	1,704,632	6,842,408	471,889	16,619,204
Charge for the year	22,883	3,583	997,112	300,615	678,832	72544	2,075,569
Adjustments for disposals/retirement	-	-	-	-	-	176133	176,133
Balance as at March 31, 2020	1,747,241	79,466	6,797,146	2,005,247	7,521,240	368,300	18,518,640
Charge for the year	-	2,648	765,093	227,032	505,147	68,893	1,568,813
Adjustments for disposals/retirement							
Balance as at March 31, 2021	1,747,241	82,114	7,562,239	2,232,279	8,026,387	437,193	20,087,453
Net carrying value as at March 31, 2020	5,721	10,259	2,891,319	468,598	638,965	156,623	4,171,485
Net carrying value as at March 31, 2021	10,467	7,611	2,428,933	419,438	574,652	220,730	3,661,831

5 Intangible assets

	Computer Software	Goodwill	Total
Gross carrying value (at deemed cost)			
Balance as at March 31, 2019	6,931,593	22,888,215	29,819,808
Additions	239,595	-	239,595
Balance as at March 31, 2020	7,171,188	22,888,215	30,059,403
Additions	256,750		256,750
Balance as at March 31, 2021	7,427,938	22,888,215	30,316,153
Accumulated amortization			
Balance as at March 31, 2019	5,192,021	22,888,215	28,080,236
Charge for the year	1,236,757	-	1,236,757
Balance as at March 31, 2020	6,428,778	22,888,215	29,316,993
Charge for the year	372,229		372,229
Balance as at March 31, 2021	6,801,007	22,888,215	29,689,222
Net carrying value as at March 31, 2020	742,410	-	742,410
Net carrying value as at March 31, 2021	626,931	-	626,931

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

4 (a) Right of Use Asset as at March 31, 2020

Particulars	Category of ROU Asset	Total
	Buildings	
Balance as at 1April 2019	17,928,075	17,928,075
Additions	28,146,101	28,146,101
Deletions	19,559,154	19,559,154
Depreciation	5,195,180	5,195,180
Balance as at March 31, 2020	**21,319,842**	**21,319,842**

The aggregate depreciation expenses on ROU Assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

4 (b) Lease liabilities as at March 31, 2021

The movement in lease liabilities during the year ended March 31, 2021 is as follows:

Particulars	Amount INR
Balance as at April 1, 2020	19,338,877
Additions	28,146,101
Finance cost accrued during the year	1,936,691
Deletions	21,491,467
Payment of lease liabilities	5,531,676
Balance as at March 31, 2021	**22,398,526**

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

		As at March 31, 2021	As at March 31, 2020
6	**Other financial assets**		
	Security deposits		
	Unsecured considered good		
	Related parties	3,302,550	1,200,000
	Others	129,827	1,675,827
		3,432,377	2,875,827

		As at March 31, 2021	As at March 31, 2020
7	**Other non-current assets**		
	Advance tax (net of provision)	25,588,420	25,667,413
	Balances with government authorities	8,669,461	5,719,653
	Total other non-current other assets	34,257,881	31,387,066

		As at March 31, 2021	As at March 31, 2020
8	**Inventories**		
	Stock-in-trade (at lower of cost or net realizable value)	142,550,724	116,190,474
	Packing materials (at cost)	5,762,309	1,776,673
		148,313,033	117,967,147

		As at March 31, 2021	As at March 31, 2020
9	Investments		
	Current:		
	Investments carried at fair value through profit or loss ("FVTPL")		
	Investments in mutual funds, non-trade, unquoted		
	2199.853 units (March 31, 2020: 2834.154) of Kotak Arbitrage Fund - Monthly Dividend Reinvestment plan	2,294,575	2,867,086
		2,294,575	2,867,086

		Non-Current		Current	
10	**Trade receivable**	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Unsecured				
	-Considered good		-	171,510,777	55,019,339
		-	-	171,510,777	55,019,339
	Further classified as:				
	Receivable from others	-	-	171,510,777	55,019,339
		-	-	171,510,777	55,019,339

		As at March 31, 2021	As at March 31, 2020
11	Cash and cash equivalents		
	Balances with banks:		
	On current accounts	8,333,610	39,438,124
	Cash on hand	171,159	204,490
		8,504,769	39,642,614

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with banks:		
On current accounts	8,333,610	39,438,124
Cash on hand	171,159	204,490
	8,504,769	39,642,614

		As at March 31, 2021	As at March 31, 2020
12	Bank balances other than Cash and cash equivalent		
	Balance in unpaid dividend account *	3,403,237	3,403,237
	Balance in unpaid capital reduction account**	1,359,835	1,359,835
	In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	169,282,453	140,849,137
		174,045,525	145,612,209

Note:

*Unpaid dividend balance of INR 34,03,237 outstanding as on March 31, 2021 completed 7 years and the company is in the process of transferring the amount to Investor education & Protection fund (IEPF).

**Capital reduction account balance of INR 13,59,835 outstanding as on March 31, 2021 which will complete the 7 year timeline by March 31, 2023.

		As at March 31, 2021	As at March 31, 2020
13	Other financial assets		
	Interest accrued on fixed deposits	11,694,710	4,822,513
	Accrued Income	1,115,248	1,521,769
	Others	3,529,961	516,527
		16,339,920	6,860,809

		As at March 31, 2021	As at March 31, 2020
14	Other current assets		
	Advance receverable in kind	75,910,211	24,626,948
	Balance with Government Authorities	8,861,008	-
	Others	1,701,390	29,771,712
	Prepaid expenses	4,133,507	2,331,761
	Total	90,606,117	56,730,421

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15 Share capital

Equity shares	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorized				
Equity shares of INR 10 each	28,038,800	280,388,000	28,038,800	280,388,000
14% Preference Shares of INR 100 each	696,120	69,612,000	696,120	69,612,000
Issued, subscribed and paid up				
Equity shares of INR 10 each fully paid	9,732,566	97,325,660	9,732,566	97,325,660
Total	9,732,566	97,325,660	9,732,566	97,325,660

(a) Reconciliation of number of shares outstanding

	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	9,732,566	97,325,660	9,732,566	97,325,660
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	9,732,566	97,325,660	9,732,566	97,325,660

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to one voice per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR 10 each fully paid				
Sruthi Reddy	1,000,000	10.27%	1,000,000	10.27%
Supriya Reddy Palem	1,000,000	10.27%	1,000,000	10.27%
Sanhita Reddy	1,000,000	10.27%	1,000,000	10.27%
Passage to India Master Fund Limited	701,586	7.21%	701,586	7.21%
Ashish Dhawan	678,189	6.97%	678,189	6.97%
Palem Srikanth Reddy	602,261	6.19%	602,261	6.19%

Note:

*During the Financial year Mr. Palem Srikanth Reddy was expired. The shares are yet to be transferred to his nominee Ms. Supriya Reddy Palem.

(d) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(e) Capital reduction of equity shares during 5 years immediately preceding the Balance Sheet date

Subsequent to the approval of the High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh for reduction of 60% of the paid up equity share capital during the financial year ended March 31, 2016, the Company has returned an amount of INR 16.50 at a premium of INR 11.50 per share and cancelled extinguished 60% of the equity shares of the Company of face value of INR 5 each in July 2015. After reduction, the issued, subscribed and paid-up equity share capital of INR 19,51,84,850 consisting of INR 3,90,36,970 equity shares of INR 5 each fully paid-up was reduced to INR 7,80,73,940 consisting of INR 1,56,14,788 equity shares of INR 5 each.

	Number of shares
	April 1, 2015 to March 31, 2021
Aggregate number of capital reduction of equity shares	23,421,182

16 Other equity

	As at 31 March 2021	As at March 31, 2020
Reserves and surplus		
Capital Reserve	14,280,000	14,280,000
Securities premium	672,030,093	672,030,093
General reserve	132,524,353	132,524,353
Retained earnings	(622,926,456)	(646,245,062)
Total reserves and surplus	195,907,990	172,589,384
Other Comprehensive Income		
Remeasurement of defined benefit plan	584,038	(435,824)
Foreign Currency translation reserve	(775,964)	380,213
Total other comprehensive income	(191,926)	(55,611)
Total Other equity	195,716,064	172,533,773

Nature and Purpose of reserve:

i. Capital Reserve

The reserve represents creation of capital reserve pursuant to the scheme of amalgamation. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

ii. Securities Premium Account

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and face value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

iii. General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

iv. Remeasurement of defined benefit plan

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit or loss.

v. Foreign currency translation reserve

Exchange differences on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

17 Other financial liabilities	As at 31 March 2021	As at March 31, 2020
(a) Non-current		
Dealer Deposits	3,000,000	2,000,000
	3,000,000	**2,000,000**
(b) Current		
Liability For Expenses	4,182,153	4,182,153
Payable towards customer refunds	-	-
Unpaid dividends	3,403,237	3,408,237
Unclaimed capital reduction	1,359,835	1,359,835
Other Payables	20,206,637	12,201,014
	29,151,862	**21,146,239**

18 Provisions

	As at 31 March 2021	As at March 31, 2020
Non-current		
Gratuity (refer note below)	4,143,963	2,996,731
	4,143,963	**2,996,731**
Current		
Gratuity (refer note below)	85,401	331,346
	85,401	**331,346**

Note:

The Company provides for gratuity for employees in India as per the Payment of the Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionally 15 days salary multiplied for the number of the years of service. The gratuity plan is unfunded. The assumptions used in accounting for the gratuity plan are set out below.

	As at 31 March 2021	As at March 31, 2020
i. Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	3,328,077	1,731,880
Service cost	704,676	444,473
Interest cost	176,676	118,401
Actuarial (gain) / loss	(584,038)	896,633
Settlements	870,638	136,690
Benefits paid		
Projected benefit obligation at the end of the year	**4,495,029**	**3,328,077**
ii. Expense recognized in the statement of profit and loss		
Service cost	704,676	444,473
Interest cost	176,676	118,401
Expected return on plan assets		
Net gratuity costs	**881,351**	**562,874**
iii. Expense recognized in OCI		
Recognized net actuarial (gain)/ loss	584,038	(896,633)
iv. Key actuarial assumptions		
Financial assumptions		
Discount rate	6.04%	6.04%
Expected return on plan assets	-	-
Withdrawal Rate	-	-
Salary escalation rate	7.00%	7.00%
Demographic assumptions	For Service 4 years and below 5% For Service 5 years and above 2%	For Service 4 years and below 5% For Service 5 years and above 2%
Mortality rate as per Indian Assured Lives Mortality 2012-14 table		
v. Sensitivity Analysis		
Projected defined benefit obligation		
Delta effect of +1% change in discount rate	(543,254)	(379,163)
Delta effect of -1% change in discount rate	656,991	458,356
Delta effect of +1% change in salary escalation rate	479,919	404,649
Delta effect of -1% change in salary escalation rate	(409,375)	(380,431)
vi. Maturity analysis of projected benefit obligation		
1 year	85,390	55,424
2 to 5 years	400,129	414,633
6 to 10 years	12,069,617	5,712,257
More than 10 years	-	-

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to these assumptions. Sensitivity to these factors is disclosed above.

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19 Borrowings	As at 31 March 2021	As at March 31, 2020
Current		
Secured, loans repayable on demand from banks		
Bank Over draft	278,671,391	120,941,732
	278,671,391	120,941,732

Note:

I. Loan repayable on demand from banks is in the nature of bank over draft, secured by way of fixed deposits amounting to INR 14,00,00,000 and carries 1.5% over and above the pledged fixed deposits interest rates per annum.

II. **Net debt reconciliation**

	Amounts
Net debt as at April 1, 2018	3,372,923
Cash flows, net	(3,372,923)
Interest expense	889,325
Interest paid	(889,325)
Net debt as at April 1, 2019	120,941,732
Cash flows, net	(120,941,732)
Interest expense	5,537,736
Interest paid	(5,537,736)
Net debt as at March 31, 2020	-
Cash flows, net	278,671,391
Interest expense	26,278,818
Interest paid	(26,278,818)
Net debt as at March 31, 2021	278,671,391

20 Trade payables	As at 31 March 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	18,084,270	27,455,316
	18,084,270	27,455,316

Note:

1. Refer note 31 for the Company's liquidity risk management process.
2. The Micro and Small Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Details of dues to such parties are given below:

	31 March 2021	March 31, 2020
The principal amount remaining unpaid as at the end of the year	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of interest paid by the Company in terms of Section 16, of (MSMED Act 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act 2006)	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act 2006)	-	-

21 Other current liabilities	As at 31 March 2021	As at March 31, 2020
Statutory dues payable	1,745,103	2,212,789
Total other current liabilities	1,745,103	2,212,789

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

22 Revenue from operations	March 31, 2021	March 31, 2020
Sale of Goods	1,154,161,688	446,349,063
Sale of Services	15,860,534	9,238,766
	1,170,022,222	455,587,829

23 Other income	March 31, 2021	March 31, 2020
Interest income	9,197,329	10,154,392
Dividends From Mutual Funds	127,489	450,346
Provision no longer required, written back	3,260,154	2,731,290
Miscellaneous income	5,209,363	2,302,263
	17,794,335	15,638,291

24 Changes in inventories of stock-in-trade	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	116,190,474	38,644,313
Inventory at the end of the year	(141,586,483)	(116,190,474)
Foreign currency translation adjustment	-	-
	(25,396,009)	-77,546,161

25 Employee benefits expense	March 31, 2021	March 31, 2020
Salaries, wages, bonus and other allowances	63,301,796	53,697,359
Contribution to Provident Fund and ESI	2,998,926	2,208,922
Gratuity expenses	881,352	562,874
Staff welfare expenses	1,679,104	1,814,521
	68,861,177	58,283,676

26 Finance cost	March 31, 2021	March 31, 2020
Interest on borrowing	26,278,818	5,537,736
Interest expense	1,090,254	3,896,792
	27,369,072	9,434,528

27 Depreciation and amortization expense	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment	1,568,813	2,075,570
Depreciation of ROU Assets	5,195,180	4,253,653
Amortization of other intangible assets	372,228	1,236,757
	7,136,221	7,565,980

28 Other expenses	March 31, 2021	March 31, 2020
Rent	-	323,819
Rates and taxes	3,567,172	3,937,046
Repairs and maintenance - others	2,060,606	1,833,459
Website Maintenance	926,724	398,389
Freight charges	294,349	191,360
Insurance	336,836	106,701
Office maintenance	6,553,234	7,149,132
Business promotion expenses	133,406,881	70,354,066
Postage and courier	65,384	58,744
Power and fuel	1,672,267	1,485,617
Travelling and conveyance	1,543,033	4,602,121
Delivery charges	29,413,788	11,818,592
Legal and professional charges	7,085,569	5,677,018
Auditor's Remuneration *	2,050,000	1,900,000
Hosting expenses	1,891,384	1,501,573
Refunds related expenses	3,771,861	-
Communication expenses	986,313	961,575
Packing material	4,457,238	3,754,346
Foreign exchange difference, net	2,113,625	59,978
Due from collection agencies written off	1,803,778	-
Bank charges	1,443,116	753,093
Printing and stationery	5,249	70,825
Sales commission	-	21,556,333
Loss on sale of PPE, net	-	85,467
Online platform fee	813,146	760,000
Packing Charges	5,536,283	2,246,130
Miscellaneous expenses	16,172,838	6,337,051
	227,970,702	147,922,435

*Note : The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)

	March 31, 2021	March 31, 2020
As auditor:		
Statutory audit	1,800,000	1,800,000
In other capacity:	-	-
Other matters	100,000	100,000
Reimbursement of expenses	-	-
	1,900,000	1,900,000

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Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

29 Earnings/ Loss per share

Earnings per equity share (EPCS)

Basic earnings /(loss) per share amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the loss and share data used in the basic and diluted EPS computations:

	March 31, 2021	March 31, 2020
Loss attributable to equity holders	23,135,383	(46,561,352)
Weighted average number of equity shares	9,732,566	9,732,566
Basic loss per share (INR)	2.38	(4.78)
Diluted loss per share (INR)	2.38	(4.78)

30 Fair value measurements

(i) Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on
Level 1: Quoted prices (unadjusted) in active markets for financial instruments.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data either directly
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Financial assets and financial liabilities measured at fair value

	March 31, 2021		March 31, 2020	
	Level 1	Level 2	Level 1	Level 3
Financial assets				
Current investments	2,294,575	-	2,867,086	-

There are no transfers between levels during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

(iii) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

	March 31, 2021		March 31, 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Current investments	2,294,575	-	2,867,086	-
Trade receivables	-	171,510,777	-	55,019,339
Cash and cash equivalents	-	8,504,769	-	39,642,614
Other Bank balances	-	174,045,525	-	145,612,209
Other financial assets	-	16,339,920	-	6,860,809
Total financial assets	2,294,575	370,400,991	2,867,086	247,134,971
Financial liabilities				
Borrowings	-	278,671,391	-	120,941,732
Trade payables	-	18,084,270	-	27,455,516
lease liability	-	22,398,526	-	19,338,877
Other financial liabilities	-	29,151,862	-	21,146,239
Total financial liabilities	-	348,306,049	-	188,882,364

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments carried at amortised cost:

	March 31, 2021		March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Trade receivables	171,510,777	171,510,777	55,019,339	55,019,339
Cash and cash equivalents	8,504,769	8,504,769	39,642,614	39,642,614
Other Bank balances	174,045,525	174,045,525	145,612,209	145,612,209
Other financial assets	16,339,920	16,339,920	6,860,809	6,860,809
Total financial assets	370,400,991	370,400,991	247,134,971	247,134,971
Financial liabilities				
Borrowings	278,671,391	278,671,391	120,941,732	120,941,732
Trade payables	18,084,270	18,084,270	27,455,516	27,455,516
lease liability	22,398,526	22,398,526	19,338,877	19,338,877
Other financial liabilities	29,151,862	29,151,862	21,146,239	21,146,239
Total financial liabilities	348,306,049	348,306,049	188,882,364	188,882,364

The carrying amounts of trade and other receivables, trade payables, investments, cash and cash equivalents and other bank balances are considered to be the same as their fair values, due to their fair values, due to their short term nature.

iv. The Group's principal financial liabilities, comprise other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Group also holds FVTPL investments.

The carrying amounts of trade receivables, and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities, subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

For financial assets measured at fair values, the carrying amounts are equal to the fair values.

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31 **Financial instruments risk management**

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Group's risk management policies are established to identify and analyse the risks faced by the Group and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Group's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks.

A. Market risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates (such as interest rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments. The Group's exposure to market risk is a function of investing activities.

Interest rate risk:

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's investments in deposits is with banks and therefore do not expose the Group to significant interest rates risk. The Group's rate borrowing is subject to interest rate risk. However the same is fixed at 1.5%- interest rates on investments in deposits. Accordingly, no interest rate risk is perceived.

Particulars	March 31, 2021	March 31, 2020
Fixed rate instruments		
Financial assets	169,280,453	140,849,137
Financial liabilities		

Commodity rate risk

Exposure to market risk with respect to commodity prices primarily arises from Group's purchase and sale of computers, mobiles, electronic products, fashion accessories and related services. These are commodity products, whose prices may fluctuate significantly over short periods of time. The prices of the Group's purchases generally fluctuate in line with commodity cycles and are generally more volatile depending upon the market conditions. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. For the reporting periods presented, the Group had not entered into any material derivative contracts to hedge exposure to fluctuations in commodity.

B. Credit risk

Credit risk on Cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period. None of the Group's cash equivalents, including term deposits (i.e. certificates of deposits) were past due or impaired as at the reporting periods.

C. Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group's reputation.

The Group's principle sources of liquidity are cash and cash equivalents and current investments. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding. The Group had following working capital at the end of the reporting year.

Particulars	March 31, 2021	March 31, 2020
Current Assets	611,614,716	424,699,625
Current liabilities	350,136,553	191,426,499
Working Capital	261,478,163	233,273,126

Except for other non current financial liabilities, all the contractual maturities of significant financial liabilities are payable on demand or are expected to be paid with in one year from the respective reporting years. Dealer deposits are expected to be settled beyond 1 year from the respective reporting years.

Foreign Currency Risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, mainly in the nature of purchases denominated in foreign currencies and other expenditures like sourcing commission. As a policy, the Group does not hedge any of its exposure to foreign currency.

D. Excessive risk concentration

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations. Credit risk is managed through credit approvals and continuously monitoring the creditworthiness of collection agencies to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for credit losses and impairment that represents its estimate of expected losses in respect of trade and other receivables.

Financial assets that are neither past due or nor impaired

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units and certificates of deposit which are funds deposited at a bank for a specific time period. None of the Group's cash equivalents, including term deposits (i.e. certificates of deposits) were past due or impaired as at the reporting period.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and region in which the customer operates, also has an influence on credit risk assessment.

The group has expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade and other receivables. The provision matrix takes into account available external and internal credit risk factors such as default risk of industry, credit ratings from credit rating agencies and historical experience for customers.

33 **Capital risk management**

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other shareholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets. Gearing ratio is nil as at various reporting dates. There have been no material breaches in the financial covenants of any borrowing in the current period.

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34 **Related Party disclosures**

(a) **Names of the related parties and nature of relationship**

Names of related parties	Nature of relationship
Mr. Palem Srikanth Reddy	Key Management Personnel
Mr. Pinakalapati Harish Naidu, CFO	Key Management Personnel
Mrs. Shruti Rege, Company Secretary	Key Management Personnel
Ms. Supriya Reddy	Key Management Personnel
Ms. Sruthi Reddy	Key Management Personnel
Mr. Murthy MVLN	Key Management Personnel

(b) **Transactions with related parties:**

		For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Palem Srikanth Reddy	Remuneration*	1,000,000	3,000,000
Mr. Palem Srikanth Reddy	Reimbursement of expenses	81,519	979,262
Mr. Pinakalapati Harish Naidu	Salaries including bonuses	2,791,667	2,500,000
Mr. Pinakalapati Harish Naidu	Reimbursement of expenses	1,010	80,181
Mrs. Shruti Rege	Salaries including bonuses	941,904	601,000
Mr. Murthy MVLN	Reimbursement of expenses	659,859	-
Ms. Supriya Reddy	Salaries including bonuses	1,000,000	-
Ms. Supriya Reddy	Reimbursement of expenses	222,042	-
Ms. Sruthi Reddy	Rent	700,002	566,670

*Remuneration not include post employment benefits and other long term employee benefit expenditure which are computed for Company as a whole.

(c) **Balances receivable/(payables):**

	As at March 31, 2021	As at March 31, 2020
Mr. Palem Srikanth Reddy	-	(38,331)
Ms. Sruthi Reddy	(73,667)	(36,000)

35 **Contingent liabilities and pending litigations**

	As at March 31, 2021	As at March 31, 2020
Disputed income tax liabilities		
Assessment year 2006-07 onwards - refer note below	60,200,090	6,543,500

Note:
Pursuant to the income tax assessment for the assessment year 2006-07 onwards, the Group had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law and compliances with the arm's length guidelines in relation to international transactions with associated enterprises. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities and the necessary advice received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to the financial statements in this regard.

36 **Segment reporting**
After considering the Company's business model and the internal financial reporting, the management has identified only one reportable segment which is "Trading in computers, mobiles, electronic products, fashion accessories and providing related services". Further, all operations and location of PPE of the Company are based in India and hence, no separate financial disclosures are applicable in accordance with the requirements of Ind AS 108 - Operating segments.

37 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

38 The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

The World Health Organisation announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Group's operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Group's operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it's resultant impact on the operations of the Group. The Group continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations. The management has made an assessment of the impact of COVID-19 on the Group's operations, financial performance and position as at and for the year ended March 31, 2021and has concluded that as there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

39 The consolidated financial statements are approved for issue by the Company's Board of Directors on June 26, 2021.

40 Previous year figures have been regrouped/ reclassified to conform presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Amit Kumar Agarwal
Partner
Membership No.: 214198

Place: Hyderabad
Date: June 26, 2021

MSKA & ASSOCIATES Hyderabad Chartered Accountants

For and on behalf of the Board of Directors
Palred Technologies Limited
CIN: L72200TG1999PLC033131

SUPRIYA REDDY P Digitally signed by SUPRIYA REDDY P Date: 2021.06.25 13:47:35 +05'30'

Supriya Reddy
Chairperson & Managing director
DIN:00055870

Place: Hyderabad
Date: June 26, 2021

Pinakalapati Harish Naidu
Chief Finance Officer

Place: Hyderabad
Date: June 26, 2021

MVL Murthy
Director
DIN: 07018804

Place: Hyderabad
Date: June 26, 2021

Shruti
Shruti Rege
Company Secretary
Membership No: A41523

Place: Hyderabad
Date: June 26, 2021

PALRED TECHNOLOGIES LTD. HYD.

Palred Technologies Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2021
(All amount in INR, unless otherwise stated)

32. Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act

Particulars	As at March 31, 2021		For the year ended March 31, 2021		For the year ended March 31, 2021		For the year ended March 31, 2021	
	Net assets (Total Assets-Total liabilities)		Share in profit/(loss)		Share in other comprehensive income/ (loss)		Total comprehensive income/ (loss)	
	As a % of consolidated assets	Amount	As a % of consolidated profit/ (loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated total comprehensive income/ (loss)	Amount
Parent	88.42%	259,116,160	16.43%	4,130,221	9.63%	21,648	16.37%	4,151,869
Subsidiaries:								
Indian								
Palred Electronics Private Limited	53.66%	157,243,666	174.75%	43,923,195	-129.87%	(291,983)	172.05%	43,631,212
Palred Retail Private Limited	-3.21%	(9,398,520)	-11.95%	(3,004,769)	-53.91%	(121,204)	-12.38%	(3,125,973)
Palred Technology Services Private Limited	1.66%	4,862,462	-34.88%	(8,768,173)	191.28%	430,052	-32.88%	(8,338,121)
Foreign								
Palred Online Bilism Teknolojileri Ticaret Anonim Sirketi, Turkey	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Palred Online Technologies Limited ('POT'), Hong Kong	4.91%	14,401,874	-21.75%	(5,468,002)	-186.56%	(419,453)	-23.22%	(5,887,455)
Palred Technology Shenzhen Company Ltd, China	-2.25%	(6,594,913)	13.05%	3,281,311	254.80%	572,866	15.20%	3,854,177
Non Controlling Interests	-8.39%	(24,591,338)	-36.08%	(9,069,513)	14.64%	32,905	-35.63%	(9,036,608)
Total	134.81%	395,045,391	99.56%	25,024,270	100.00%	224,831	99.56%	25,249,100
Consolidation adjustments	-34.81%	(102,003,667)	0.44%	111,033		-	0.44%	111,033
Net amounts	100.00%	293,041,724	100.00%	25,135,303	100.00%	224,831	100.00%	25,360,133

Particulars	As at March 31, 2020		For the year ended March 31, 2020		For the year ended March 31, 2020		For the year ended March 31, 2020	
	Net assets		Share in profit/(loss)		Share in other comprehensive income/		Total comprehensive income/ (loss)	
	As a % of consolidated assets	Amount	As a % of consolidated profit/ (loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated total comprehensive income/ (loss)	Amount
Parent	105.99%	102,476,728	1.90%	(883,614)	9.06%	(209,885)	2.25%	(1,093,498)
Subsidiaries:								
Indian								
Palred Electronics Private Limited	39.81%	113,612,452	-16.86%	7,851,797	6.47%	(136,184)	-15.85%	7,715,613
Palred Retail Private Limited	-2.20%	(6,266,547)	40.22%	(18,725,880)	10.66%	(224,445)	38.94%	(18,950,325)
Palred Technology Services Private Limited	4.84%	13,823,135	63.88%	(29,743,919)	6.76%	(142,435)	61.41%	(29,886,354)
Foreign								
Palred Technology Services Inc. ('PTS Inc.'), USA	4.35%	12,402,342	1.06%	(494,979)	4.74%	(99,852)	1.22%	(594,831)
Palred Online Bilism Teknolojileri Ticaret Anonim Sirketi, Turkey	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Palred Online Technologies Limited ('POT'), Hong Kong	7.16%	20,419,229	-6.82%	3,174,842	14.94%	(735,973)	-5.09%	2,438,869
Palred Technology Shenzhen Company Ltd, China	-2.71%	(7,731,496)	15.60%	(7,265,856)	26.47%	(557,641)	16.08%	(7,823,497)
Non Controlling Interests	-5.44%	(15,521,825)	-1.05%	491,109	0.00%		-1.01%	491,109
Total	151.80%	433,214,019	97.93%	(45,596,499)	100.00%	(1,106,416)	98.02%	(47,702,914)
Consolidation adjustments	-51.80%	(147,832,761)	2.07%	(964,853)	0.00%	-	1.98%	(964,853)
Net amounts	100.00%	285,381,258	100.00%	(46,561,352)	100.00%	(1,106,416)	100.00%	(48,667,767)