

INDEPENDENT AUDITOR'S REPORT

To the Members of **Palred Retail Private Limited**

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 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 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. 30 to the 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 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 Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 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 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.



We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the 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 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 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 does not have any pending litigation which would impact its financial position;
 - 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, there is no remuneration paid by the Company to its directors.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W



Amit Kumar Agarwal

Partner

Membership No. 214198

UDIN: 21214198AAAACU8887



Place: Hyderabad

Date: June 25, 2021

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

Auditor's Responsibilities for the Audit of the 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 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 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 financial statements, including the disclosures, and whether the 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.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W


Amit Kumar Agarwal

Partner

Membership No. 214198

UDIN: 21214198AAAACU8887

Place: Hyderabad

Date: June 25, 2021



**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF
PALRED RETAIL PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 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) The Company does not hold any immovable property (in the nature of 'Property, plant and equipment'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- ii. In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- 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 the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.



- viii. The Company has no loans or borrowings payable to a financial institution or bank or government and no dues payable to debenture holders during the period. 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 information, explanations given to us, there is no remuneration paid by the Company to its directors. Accordingly, the provisions stated in paragraph 3 (xi) of the Order are not applicable.
- 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: 21214198AAAACU8887

Place: Hyderabad

Date: June 25, 2021



**ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS
OF PALRED RETAIL PRIVATE 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 financial statements of Palred Retail Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the 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 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 financial statements.



Meaning of Internal Financial Controls with Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to 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: 21214198AAAACU8887

Place: Hyderabad

Date: June 25, 2021



Palred Retail Private Limited
Balance Sheet as at March 31, 2021
(All amounts in INR, unless otherwise stated)

		As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	183,530	78,696
Right of Use Assets	4 (a)	2,508,427	742,603
Other non-current assets	5	8,494,849	4,720,161
Total non-current assets		11,186,806	5,541,460
Current assets			
Inventories	6	22,212,075	14,400,267
Financial assets			
Trade receivables	7	6,058,031	15,002,105
Cash and cash equivalents	8	3,615,409	7,074,475
Other current assets	9	393,597	766,998
Total current assets		32,279,112	37,243,846
Total assets		43,465,918	42,785,305
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	31,081,500	31,081,500
Other equity	11	(40,474,020)	(37,348,047)
Equity attributable to owners		(9,392,520)	(6,266,547)
Liabilities			
Non-current liabilities			
Provisions	12	347,502	579,870
Total non-current liabilities		347,502	579,870
Current liabilities			
Financial liabilities			
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	13	48,263,604	44,277,592
Lease liabilities	4 (b)	2,239,498	806,502
Other financial liabilities	14	1,663,781	3,016,845
Other current liabilities	15	340,583	361,404
Provisions	12	3,470	9,639
Total current liabilities		52,510,936	48,471,982
Total liabilities		52,858,438	49,051,852
Total equity and liabilities		43,465,918	42,785,305

See accompanying notes to the financial statements

1-31

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 25, 2021

For and on behalf of the Board of Directors

Palred Retail Private Limited

CIN: U74999AP2018PTC108429

Ameen Khwaja

Managing Director

DIN: 00800284

Place: Hyderabad

Date: June 25, 2021

S. Vijaya Saradhi

Director

DIN: 03089889

Place: Hyderabad

Date: June 25, 2021



Palred Retail Private 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	16	139,987,781	91,378,467
Other income	17	1,368,471	99,882
Total income		141,356,252	91,478,349
Expenses			
Purchase of Stock-in-trade		79,048,418	45,954,571
Changes in inventories of stock-in-trade	18	(8,285,486)	(1,387,423)
Employee benefits expense	19	9,942,051	14,224,045
Finance costs	20	159,905	87,965
Depreciation and amortization expense	21	994,065	812,047
Other expenses	22	62,502,068	50,513,024
Total expenses		144,361,021	110,204,229
Profit /(Loss) for the year		(3,004,769)	(18,725,880)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of employee benefit obligation		(121,204)	224,445
Other comprehensive income for the year, net of tax		(121,204)	224,445
Total comprehensive income for the year		(3,125,973)	(18,501,435)
Earnings / (Loss) per share			
Basic & Diluted earnings per equity share	23	(0.83)	(5.98)
Weighted average number of equity shares outstanding during the year and considered for calculation of basic and diluted EPES		3,631,500	3,131,500
Nominal value per equity share		10.00	10.00
See accompanying notes to the financial statements	1-31		

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 25, 2021

For and on behalf of the Board of Directors of

Palred Retail Private Limited

CIN: U74999AP2018PTC108429

Ameen Khwaja

Managing Director

DIN: 00800284

Place: Hyderabad

Date: June 25, 2021

S. Vijaya Saradhi

Director

DIN: 03089889

Place: Hyderabad

Date: June 25, 2021



Palred Retail Private Limited

Statement of changes in equity for the year ended March 31, 2021
(All amounts in INR, unless otherwise stated)

(A) Equity share capital

Equity shares of INR 10 each issued, subscribed and fully paid
Opening
Add: Issue during the year
Closing

As at March 31, 2021		As at March 31, 2020	
No. of shares	Amount	No. of shares	Amount
3,631,500	31,081,500	2,631,500	21,081,500
-	-	1,000,000	10,000,000
3,631,500	31,081,500	3,631,500	31,081,500

(B) Other equity

	Reserve and surplus	Other comprehensive income	
	Retained earnings	Remeasurement of defined benefit plans	Total
Balance as at April 1, 2019	(19,081,785)	459,618	(18,622,167)
Loss for the period	(18,725,880)	-	(18,725,880)
Other comprehensive income	(224,445)	224,445	-
Balance as at March 31, 2020	(38,032,110)	684,063	(37,348,047)
Loss for the period	(3,004,769)	-	(3,004,769)
Other comprehensive income	-	(121,204)	(121,204)
Other adjustment	-	-	-
Balance as at March 31, 2021	(41,036,879)	562,859	(40,474,020)

See accompanying notes to the financial statements

1-31

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 25, 2021



For and on behalf of the Board of Directors of

Palred Retail Private Limited

CIN: U74999AP2018PTC108429

Ameen Khwaja

Managing Director

DIN: 00800284

Place: Hyderabad

Date: June 25, 2021

(Signature)

S. Vijaya Saradhi

Director

DIN: 03089889

Place: Hyderabad

Date: June 25, 2021



Palred Retail Private Limited

Statement of Cash flows for the year ended March 31, 2021

(All amounts 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	(3,004,769)	(18,725,880)
Adjustments for:		
Dividend income from mutual funds	-	(99,232)
Interest expense	159,905	87,965
Employee benefit expenses	121,204	108,566
Depreciation and amortisation expense	994,065	812,047
Operating loss before working capital changes	(1,729,595)	(17,816,534)
Changes in working capital		
Decrease/ (Increase) in inventories	(7,811,808)	(2,245,268)
Decrease/ (Increase) in Financial assets	(3,774,688)	(2,491,060)
Decrease/ (Increase) in Trade receivables	8,944,074	(9,931,129)
Decrease/ (Increase) in Other assets	(373,401)	(593,275)
(Decrease) / Increase in Trade payables	3,986,012	26,815,952
(Decrease) / Increase in Financial liabilities	79,932	(1,224,586)
(Decrease) / Increase in Provisions	270,165	312,420
(Decrease) / Increase in Other current liabilities	20,821	(128,362)
Net cash flows used in operating activities (A)	(388,488)	(7,301,842)
Cash flow from Investing activities		
Purchase of property, plant and equipment	(2,910,673)	(1,549,606)
Dividend income from mutual funds	-	99,232
Net cash flow from investing activities (B)	(2,910,673)	-1,450,374
Cash flow from Financing activities		
Proceeds from issuance of equity shares	-	10,000,000
Payment for business purchase	-	-
Interest paid	(159,905)	(87,965)
Net cash flow from financing activities (C)	(159,905)	9,912,035
Net increase in cash and cash equivalents (A+B+C)	(3,459,066)	1,159,819
Cash and cash equivalents at the beginning of the year	7,074,475	5,914,656
Cash and cash equivalents at the end of the year	3,615,409	7,074,475
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	3,598,281	7,029,562
Cash on hand	17,128	44,913
Total cash and bank balances at end of the year	3,615,409	7,074,475

See accompanying notes to the financial statements

1-31

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 25, 2021



For and on behalf of the Board of Directors of

Palred Retail Private Limited

CIN: U74999AP2018PTC108429

Ameen Khwaja
Managing Director

DIN: 00800284

Place: Hyderabad

Date: June 25, 2021

S. Vijaya Saradhi
Director

DIN: 03089889

Place: Hyderabad

Date: June 25, 2021



Palred Retail Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2021

(All amounts in INR, unless otherwise stated)

1 Corporate Information

Palred Retail Private Limited (the 'Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act 2013. The Company is engaged in the business of trading in mobile and computer accessories and other electronic products. The Company has its registered office at Survey No. 1240, Nannur, Orvakal, Kurnool, Andhra Pradesh- 518 002.

The Company is a subsidiary of Palred Technologies Limited ("Holding Company") whose equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India.

2 Basis of preparation of financial statements

Statement of Compliance with Ind AS

These 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 Company's 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;
- 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 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 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 financial statements have been prepared using the accounting policies and measurement basis summarized below.

a. Functional Currency

The 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 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 Company's 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.



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, plant 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
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

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 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.

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 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.



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 first-in-first-out method.

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

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

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.

i. 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.

j. Revenue recognition

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.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- i. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- ii. The Company's performance creates or enhances an asset that the customer controls as the asset created or enhanced; or
- iii. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment or performance completed to date.

For the performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.



Sale of goods

Revenue from sale of goods is recognised where control is transferred to Company's customers at the time of shipment to or receipt of goods by the customer.

Revenue from sale of goods includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amount collected on behalf of third parties such as sales tax and value added taxes are excluded from revenue.

Unbilled receivables and Unearned revenue

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance- based payment and/or milestone -based progress payments. Invoices are payable within contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Other income - Dividend income

Dividends are recognised in profit or loss only when the right to receive payment is established. It is probable that the economic benefits associated with the dividend will flow to the Company, and hence the amount of dividend can be measured reliably.

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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company 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 Company will pay normal income tax during the specified period.

As at March 31, 2020 and March 31, 2019, 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 1 April 2020. There are no standards that are issued but not yet effective on March 31, 2020.



Palred Retail Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2021

(All amounts in INR, unless otherwise stated)

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

Particulars	Category of ROU Asset	Total
	Buildings	
Balance as at 1 April 2020	742,603	742,603
Additions	2,756,173	2,756,173
Deletions	-	45,950
Depreciation	944,399	944,399
Balance as at March 31, 2021	2,554,377	2,508,427

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

Particulars	As at March 31, 2021
i) Non-Current	1,949,988
ii) Current	289,510
Total	2,239,498

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

Particulars	Amount
Balance as at 1 April 2020	806,502
Additions	2,756,173
Finance cost accrued during the year	159,905
Deletions	137,234
Payment of lease liabilities	1,345,848
Balance as at March 31, 2020	2,239,498

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

Particulars	Amount
Less than one year	289,510
One year to three years	1,949,988
More than three years	-
Total	2,239,498



Paired Retail Private Limited

Notes forming part of the Financial Statements for the year ended March 31, 2021

(All amounts in INR, unless otherwise stated)

3 Property, plant and equipment

	Office Equipment	Computers	Computer Software	Total
Gross carrying value (at deemed cost)				
Balance as at April 1, 2019	-	141,937	-	141,937
Additions	46,000	18,399	-	64,399
Disposals/retirement	-	-	-	-
Balance as at March 31, 2020	46,000	160,336	-	206,336
Additions	-	60,000	94,500	154,500
Disposals/retirement	-	-	-	-
Balance as at March 31, 2021	46,000	220,336	94,500	360,836
Accumulated depreciation				
Balance as at April 1, 2019	-	58,197	-	58,197
Charge for the year	15,988	53,455	-	69,443
Adjustments for disposals/retirement	-	-	-	-
Balance as at March 31, 2020	15,988	111,652	-	127,640
Charge for the year	13,505	21,173	14,988	49,666
Adjustments for disposals/retirement	-	-	-	-
Balance as at March 31, 2021	29,493	132,825	14,988	177,306
Net carrying value as at March 31, 2020	30,012	48,684	-	78,696
Net carrying value as at March 31, 2021	16,507	87,511	79,512	183,530



Palred Retail Private Limited

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

5 Other non-current assets

Balances with government authorities

As at March 31, 2021	As at March 31, 2020
8,494,849	4,720,161
<u>8,494,849</u>	<u>4,720,161</u>

6 Inventories

Raw material in stock (At cost)

Store and spares parts including packing material (At cost)

As at March 31, 2021	As at March 31, 2020
21,765,458	13,479,972
446,616	920,295
<u>22,212,075</u>	<u>14,400,267</u>

7 Trade receivable

Unsecured

-Considered good

Non-Current		Current	
March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-	6,058,031	15,002,105
<u>-</u>	<u>-</u>	<u>6,058,031</u>	<u>15,002,105</u>

8 Cash and cash equivalents

Balances with banks:

On current accounts

Cash on hand

As at March 31, 2021	As at March 31, 2020
3,598,281	7,029,562
17,128	44,913
<u>3,615,409</u>	<u>7,074,475</u>

9 Other current assets

Vendor and employee advances

Prepaid expenses

As at March 31, 2020	As at March 31, 2020
295,850	363,874
97,747	403,124
<u>393,597</u>	<u>766,998</u>



Paired Retail Private Limited

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

10 Share capital

(a) Equity shares

Authorized

Equity shares of INR 10 each

Issued, subscribed and paid up

Equity shares of INR 10 each fully paid

Equity shares of INR 10 each INR 1 Paid-up

Total

As at March 31, 2021		As at March 31, 2020	
Number of shares	Amount	Number of shares	Amount
3,631,500	36,315,000	3,631,500	36,315,000
3,050,000	30,500,000	3,050,000	30,500,000
581,500	581,500	581,500	581,500
3,631,500	31,081,500	3,631,500	31,081,500

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Outstanding at the beginning of the year

Add: Issued during the year

Outstanding at the end of the year

As at March 31, 2021		As at March 31, 2020	
Number of shares	Amount	Number of shares	Amount
3,631,500	31,081,500	2,631,500	21,081,500
-	-	1,000,000	10,000,000
3,631,500	31,081,500	3,631,500	31,081,500

(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 vote per share held. Dividend if any declared is payable in Indian Rupee (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 shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder

Equity shares of INR 10 each fully paid

Paired Technologies Limited

As at March 31, 2021		As at March 31, 2020	
Number	% holding	Number	% holding
3,141,000	97.81%	3,141,000	97.81%

(e) 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.

(f) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

11 Other equity

(A) Reserves and surplus

Retained earnings

Total reserves & Surplus

As at 31-Mar-21	As at 31-Mar-20
(41,036,879)	(38,032,110)
(41,036,879)	(38,032,110)

(B) Other comprehensive income

Remeasurement of defined benefit plan

Total other comprehensive income

Total other equity

As at 31-Mar-21	As at 31-Mar-20
562,859	684,063
562,859	684,063
(40,474,020)	(37,348,047)

Nature and purpose of reserves

(a) Remeasurement of defined benefit plans

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

12 Provisions

Non-current

Gratuity (refer note below)

Current

Gratuity (refer note below)

As at 31-Mar-21	As at 31-Mar-20
347,502	579,870
347,502	579,870
3,470	9,639
3,470	9,639

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.

i. Change in projected benefit obligation

Projected benefit obligation at the beginning of the year

Service cost

Interest cost

Actuarial (gain) / loss

Settlements

Benefits paid

Projected benefit obligation at the end of the year

As at March 31, 2021	As at March 31, 2020
589,509	253,578
101,935	89,193
18,832	19,373
-375,396	138,361
16,093	89,004
350,973	589,509

ii. Expense recognized in the statement of profit and loss

Service cost

Interest cost

Expected returns on plan assets

Net gratuity costs

101,935	89,193
18,832	19,373
120,767	108,566

iii. Expense recognized in OCI

Recognized net actuarial (gain)/ loss

-121,204	224,445
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iv. Key actuarial assumptions

Financial assumptions

Discount rate

Salary escalation rate

Demographic assumptions

6.33%	6.04%
7.00%	7.00%
For Service 4 years and below 5%	For Service 4 years and below 5%
For Service 5 years and above 2%	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	(63,709)	(83,814)
Delta effect of -1% change in discount rate	81,996	103,333
Delta effect of +1% change in salary escalation rate	80,562	101,805
Delta effect of -1% change in salary escalation rate	(63,884)	(84,213)

vi. Maturity analysis of projected benefit obligation

1 year	3,470	9,639
2 to 5 years	25,618	25,627
More than 5 years	1,509,560	1,933,472

13 Trade payables

Total outstanding dues of micro enterprises and small enterprises

Total outstanding dues of creditors other than micro enterprises and small enterprises

As at 31-Mar-21	As at 31-Mar-20
48,263,604	44,277,592
48,263,604	44,277,592

14 Other financial liabilities

Other financial liabilities at amortised cost

Liability For Expenses

Payable towards customer refunds

Other Payables

As at 31-Mar-21	As at 31-Mar-20
502,710	951,106
-	468,764
1,161,071	1,596,975
1,663,781	3,016,845

15 Other current liabilities

Statutory dues payable

As at 31-Mar-21	As at 31-Mar-20
340,583	361,404
340,583	361,404



Paired Retail Private Limited

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

16 Revenue from operations

Sale of Goods

For the year ended March 31, 2021	For the year ended March 31, 2020
139,987,781	91,378,467
139,987,781	91,378,467

17 Other income

Dividend From Mutual Funds
Liability no longer required written off
Miscellaneous income

For the year ended March 31, 2021	For the year ended March 31, 2020
-	99,232
1,282,843	
85,627	650
1,368,471	99,882

18 Changes in inventories of stock-in-trade

Inventory at the beginning of the year
Inventory at the end of the year
Cost of raw material consumed

For the year ended March 31, 2021	For the year ended March 31, 2020
13,479,972	12,092,549
(21,765,458)	(13,479,972)
(8,285,486)	(1,387,423)

19 Employee benefits expense

Salaries, wages, bonus and other allowances
Contribution to Provident Fund and ESI
Gratuity expenses
Staff welfare expenses

For the year ended March 31, 2021	For the year ended March 31, 2020
8,806,722	12,406,978
756,373	886,922
120,767	108,566
258,189	821,579
9,942,051	14,224,045

20 Finance costs

Interest Expense on lease liability

For the year ended March 31, 2021	For the year ended March 31, 2020
159,905	87,965
159,905	87,965

21 Depreciation and amortization expense

Depreciation of property, plant and equipment
Depreciation of ROU Assets
Amortization of intangible assets

For the year ended March 31, 2021	For the year ended March 31, 2020
34,678	69,443
944,399	742,604
14,988	
994,065	812,047

22 Other expenses

Rates and taxes
Repairs and maintenance
Website maintenance expenses
Ecommerce Fulfil Service
Communication Charges
Freight charges
Office maintenance
Business promotion expenses
Postage and courier
Power and fuel
Travelling and conveyance
Delivery charges
Commission
Online Platform Fee
Legal and professional expenses
Auditor's Remuneration (Refer note i)
Management fee
Packing material
Sourcing Commission
Bank charges
Miscellaneous expenses

For the year ended March 31, 2021	For the year ended March 31, 2020
156,021	134,842
178,466	295,482
776,100	334,577
1,609,245	1,397,575
447,921	425,999
436	12,264
1,268,887	1,507,372
6,702,493	11,563,308
19,297	8,110
224,957	1,020,100
241,944	167,288
8,892,006	10,133,524
36,699,180	18,969,019
813,146	760,000
596,423	1,073,682
200,000	200,000
995,799	525,581
945,277	1,105,965
-	52,038
996	15,723
1,733,474	810,575
62,502,068	50,513,024

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

As auditor:
Statutory audit
Total



For the year ended March 31, 2021	For the year ended March 31, 2020
200,000	200,000
200,000	200,000

Paired Retail Private Limited

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

23 Earnings per equity share (EPES)

Basic earnings / (loss) per share amounts are calculated by dividing the profit/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 income and share data used in the basic and diluted EPS computations:

	As at 31-Mar-21	As at 31-Mar-20
Loss attributable to equity holders	(3,004,769)	(18,725,880)
Weighted average number of equity shares	3,631,500	3,131,500
Basic loss per share (INR)	(0.83)	(5.98)
Diluted loss per share (INR)	(0.83)	(5.98)

24 Fair value measurements

(a) Financial instruments by category

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

	31-Mar-21		31-Mar-20	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Trade receivables	-	6,058,031	-	15,002,105
Cash and cash equivalents	-	3,615,409	-	7,074,475
Total financial assets	-	9,673,440	-	22,076,580
Financial liabilities				
Trade payables		48,263,604		44,277,592
lease liability		2,239,498		806,502
Other financial liabilities		1,663,781		3,016,845
Total financial liabilities	-	52,166,883	-	48,100,939

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

	31-Mar-21		31-Mar-20	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	6,058,031	6,058,031	15,002,105	15,002,105
Cash and cash equivalents	3,615,409	3,615,409	7,074,475	7,074,475
Total	9,673,440	9,673,440	22,076,580	22,076,580
Financial liabilities				
Trade payables	48,263,604	48,263,604	44,277,592	44,277,592
lease liability	2,239,498	2,239,498	806,502	806,502
Other financial liabilities	1,663,781	1,663,781	3,016,845	3,016,845
Total financial liabilities	52,166,883	52,166,883	48,100,939	48,100,939

The carrying amounts of financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

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.

25 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:

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 and prices (such as commodity prices). The Company's exposure to market risk is a function of revenue generating and operating 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 Company's investments in deposits with banks and therefore do not expose the Company to significant interest rates risk. The Company'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.

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 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.

Dues from collection agencies and other financial assets

The Company'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.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for dues from collection agencies. 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.

None of the Company's financial assets 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	March 31, 2021	March 31, 2020
Current Assets	32,279,112	37,243,846
Current liabilities	52,510,936	48,471,982
Working Capital	(20,231,824)	-11,228,137

D. Excessive risk concentration

Concentrations arise when a number of counter parties are engaged in similar business activities, activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risks, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

26 Capital risk management

The Company'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 share holders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets. Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The gearing ratio as at March 31, 2020 is Nil.

27 Related Party disclosures**(a) Names of the related parties and nature of relationship**

Names of related parties	Country	Nature of relationship
Paired Technologies Limited	India	Holding company
Paired Technology Services Private Limited	India	Fellow subsidiary
Paired Electronics Private Limited	India	Fellow subsidiary
Paired Online Technologies Limited	Hong Kong	Fellow subsidiary
Mr. Palem Srikanth Reddy		KMP in holding company
Mr. MVLN Murthy		KMP
Mr. Ameen Khwaja		KMP
Ms. Supriya Reddy		Relative of KMP
Ms. Stuthi Reddy		Relative of KMP

(b) Transactions with related parties:

Names of related parties	Nature of transaction	For the year ended	For the year ended
		March 31, 2021	March 31, 2020
Paired Electronics Private Limited	Purchase of Inventory	79,048,418	49,812,215
Paired Electronics Private Limited	Advertisement Reimbursement	1,598,744	3,633,052
Paired Electronics Private Limited	Reimbursement of Expenses	1,919,194	969,939
Paired Technologies Limited	Ecom Fulfilment Services	1,609,245	1,397,575
Paired Technologies Limited	Management Fee	995,799	525,582
Paired Technologies Limited	Issue of Equity Shares	-	10,000,000
Paired Technology Services Private Limited	Ecom Fulfilment Services	-	1,405,721
Paired Technology Services Private Limited	Reimbursement of Expenses	-	137,380
Mrs. Stuti Reddy	Rent	700,000	766,670

(c) Balances receivable/(payables)

	As at	As at
	March 31, 2021	As at
Paired Electronics Private Limited	(46,650,916)	(30,831,937)
Paired Technology Services Private Limited	(297,385)	-
Paired Technologies Limited	84,964	(370,766)



28 Segment Reporting

The Company's business model and considering the internal financial reporting has identified "Trading in mobiles, electronic products, fashion accessories and providing related services" as the only reportable segment. Further all operations of the Company are based only in India with customer base and hence, no separate disclosures are applicable in accordance with the requirements of Ind AS 108- Operating segments.

- 29 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.

- 30 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 its 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, 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.

- 31 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind 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 25, 2021



For and on behalf of the Board of Directors of
Paired Retail Private Limited
CIN: U74999AP2018PTC108429

Ameen Khwaja
Managing Director
DIN: 00800284

Place: Hyderabad
Date: June 25, 2021

S. Vijaya Saradhi
Director
DIN: 03089889

Place: Hyderabad
Date: June 25, 2021

