

**PALRED**  
TECHNOLOGIES



**INNOVATE. LEAD. REPEAT.**

Annual Report | 2023-24

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mrs. Palem Supriya Reddy	- Chairperson & Managing Director (DIN: 00055870)
Ms. Stuthi Reddy	- Non-Executive Director (DIN: 07072774)
Mr. Srikar Reddy	- Non- Executive Director (DIN: 00001401)
Mr. S. Vijaya Saradhi	- Independent Director (DIN: 03089889)
Mr. Atul Sharma	- Independent Director (DIN: 07185499)
Ms. Aakanksha	- Independent Director (DIN: 08792778)
Mr. P. Harish Naidu	- Chief Financial Officer (COAPP1465C)
Ms. Shruti Mangesh Rege	- Company Secretary (ANJPD2148L)

## REGISTERED OFFICE

Palred Technologies Limited  
Plot No. 2, 8-2-703/2/B, Road No.12,  
Banjara Hills, Hyderabad- 500034,  
Telangana, India.

CIN: L72200TG1999PLC033131

## STATUTORY AUDITORS

M/s. MSKA & Associates  
Chartered Accountants  
Kukatpally, Hyderabad

## INTERNAL AUDITOR

M/s. Seshachalam & co,  
"Wall Street Plaza", 1-11-256, St.No.1  
Begumpet, Hyderabad - 500 016.  
Telangana, India.

## SECRETARIAL AUDITOR

Mr. Vivek Surana  
Practicing Company Secretary  
Plot No. 8-2-603/23/3 & 8-2-603/23, 15,  
2nd Floor, HSR Summit, Banjara Hills,  
Road No. 10, Hyderabad,  
Telangana – 500 034.

## BANKERS

Kotak Mahindra Bank Limited  
ICICI Bank Limited  
Axis Bank Limited

## AUDIT COMMITTEE:

Mr. S. Vijaya Saradhi	- Chairman
Mr. Atul Sharma	- Member
Mr. Srikar Reddy	- Member
Ms. Aakanksha	- Member

## NOMINATION & REMUNERATION COMMITTEE:

Mr. S. Vijaya Saradhi	- Chairman
Mr. Atul Sharma	- Member
Ms. Aakanksha	- Member
Mrs. P. Supriya Reddy	- Member

## STAKEHOLDERS RELATIONSHIP COMMITTEE:

Ms. Aakanksha	- Chairperson
Mr. S. Vijaya Saradhi	- Member
Mr. P. Supriya Reddy	- Member

## RISK MANAGEMENT COMMITTEE:

Mr. P. Supriya Reddy	- Chairperson
Mr. Atul Sharma	- Member
Mr. S. Vijaya Saradhi	- Member
Ms. Stuthi Reddy	- Member

## REGISTRAR & SHARE TRANSFER

### AGENTS:

M/s. KFin Technologies Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad – 500 032.  
Phone: 040-67162222,040-67161526  
Website: www.kfintech.com  
Email- einward.ris@karvy.com

### LISTED AT:

National Stock Exchange of India Limited  
Bombay Stock Exchange Limited

## DEMAT ISIN NUMBER IN NSDL& CDSL:

INE218G01033

### WEBSITE:

www.palred.com

### INVESTOR E-MAIL ID:

company@palred.com

## CHAIRMAN'S MESSAGE

### **Palred Technologies:** Bridging the Gap between Technology & People

Dear Valued Shareholders,

I am delighted to present to you the 25th Annual Report of Palred Technologies Limited for the Financial year (FY) 2023-24.

I hope this letter finds you safe and in good health.

The past year presented significant macroeconomic challenges for the Indian consumer electronics industry. High inflation, rising advertisement costs, and a slowdown in consumer spending, particularly in non-essential goods, created a difficult operating environment. Despite these headwinds, we remained committed to our long-term vision of bridging the gap between technology and people by offering affordable and innovative products across a wide range of categories, including Headphones, Speakers, Smart Wearables, Power Banks, and Cables & Chargers.

A key highlight of FY 2023-24 was our transition into full-fledged manufacturing processes. We successfully moved 75% of our product assembly to our own manufacturing facility in Nacharam, Hyderabad. This strategic shift not only enhances our control over quality but also improves our cost efficiency and supply chain management. Our in-house assembly now covers a broad spectrum of our product line, including Headphones, Smart Watches, Speakers, Chargers, and Power Banks. This vertical integration marks a significant milestone in our growth journey and sets the stage for greater agility and responsiveness to market needs.

While we made significant progress operationally, we also faced challenges that impacted our financial performance. The degrowth in revenue was largely driven by reduced market demand and heightened competition across key segments like Headphones and Smart Wearables. However, our Power Banks segment showed notable growth, reflecting a shift in consumer priorities towards essential and utility-driven electronics. The Speaker category also performed well, which continues to align with our value-driven market positioning.

Our financial results for the year reflect these dynamics, with a decline in revenue and increased losses due to market conditions and sustained marketing investments.

Looking ahead, we anticipate a challenging yet rewarding path as we continue to navigate economic uncertainties. Our focus remains on leveraging our enhanced manufacturing capabilities, driving innovation, and capitalizing on growth opportunities in resilient segments like Power Banks and Speakers. We are committed to optimizing operations and strategically positioning Palred for sustained growth.

In conclusion, FY 2023-24 was a year of significant transformation for Palred. While the financial results may not fully reflect our efforts, the strategic decisions we made during this period have laid a strong foundation for the future. I am confident that with our unwavering commitment to quality, innovation, and customer satisfaction, we will continue to build on this foundation and achieve long-term success.

I would like to thank our shareholders, employees, partners, and customers for their continued support and trust in Palred. Together, we will navigate these challenges and emerge stronger.

Thank you,

**Palem Supriya Reddy**  
Chairperson & Managing Director

## NOTICE

Notice is hereby given that the 25th Annual General Meeting of members of M/s. Palred Technologies Limited will be held on Wednesday, the 25th day of September, 2024 at 2.00 P.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Report of Auditors and Directors thereon..
2. To appoint a director in place of Ms. Stuthi Reddy (DIN: 07072774) who retires by rotation and being eligible, offers herself for re-appointment.
3. Appointment of Statutory Auditors of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Audit Committee and the Board of Directors, M/s . MSKC & Associates, Chartered Accountants (ICAI Firm Registration No. 001595S) issued by Institute of Chartered Accountants of India, having a valid Peer review Certificate issued by the Peer Review Board of ICAI, be and is hereby appointed as Statutory Auditors of the Company in place of the retiring auditors M/s. MSKA & Associates., Chartered Accountants, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company to be held in the year 2029, at such remuneration and other terms as specified in the explanatory statement, approved by the Board of Directors of the Company on the recommendation of the Audit Committee.

"RESOLVED FURTHER THAT Board of Directors of the Company, including any Committee thereof, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution."

### SPECIAL BUSINESS:

4. To approve material related party transaction to be entered with Palred Electronics Private Limited, subsidiary company:

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the Section 188 (1), (3) and applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being

in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the approval of the Board upon receiving consent from Shareholders in General Meeting, for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions or modification(s) of earlier/ arrangements/ transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise) as mentioned follows for F.Y. 2024-25, with Palred Electronics Private Limited, a Subsidiary Company of the Company,

Nature of Transaction	Proposed Maximum Amount of Transactions	Nature of Relationship
Sales/Purchases/Interest received/Rent received/ Corporate Guarantee/ Corporate Guarantee Charges / Expenses on Fleet lease/ Reimbursement of Expenses / Business Support Services/Sale of Fixed Assets/Purchase of Fixed Assets	100 Crores	Material Subsidiary Company

"RESOLVED FURTHER THAT the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts / arrangements / transactions, settle all questions, difficulties or doubts that may arise in this regard."

5. To approve the enhancement in limit prescribed under Section 186 of the Companies Act, 2013.

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 186 and other applicable provisions of the Companies Act, 2013 read with the Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to grant loans and advances or make investments in the securities of any other body corporate or provide securities or guarantees for such an amount that the aggregate of the loans and investments so far made, the amounts for which guarantee or security so far provided in connection with a loan to any other body corporate or person, along with the investment, loan, guarantee or security proposed to be made or given by



the Company exceeds the limits prescribed under Section 186 of the Act, viz., 60% of the Company's paid-up share capital, free reserves and securities premium account or 100% of the Company's free reserves and securities premium, whichever is more, upon such terms and conditions as the Board may think fit, provided that the amount of such total loans or investments made, guarantees given and securities provided shall not at any time exceed Rs. 100.00 Crores provided that the said limit shall not apply to the loan(s) or guarantee(s) given or security provided by the Company to its Subsidiary Company or Wholly Owned Subsidiary Company or a Joint Venture Company (whether formed or to be formed), or the investment by way of subscription, purchase or otherwise in for the Securities of the Company's Subsidiary Company or wholly owned subsidiary company/ies, whether formed or to be formed.

**"RESOLVED FURTHER THAT** Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary in this regard including but not limited to the delegation of powers to any director or committee of Directors or any others person as it may deem fit subject to the provision of the Companies Act, 2013.

By order of the board  
For Palred Technologies Limited  
Sd/-  
**Shruti Mangesh Rege**  
Company secretary

Place: Hyderabad  
Date: 30.08.2024

## NOTES

- In view of the continuing Covid-19 pandemic and consequential restrictions imposed on the movements of people, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020 in conjunction with Circular No. 14/2020 dated April 08, 2020 and Circular No. 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021 and Circular No. 03/2022 dated 05.05.2022 (collectively referred to as "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the MCA Circulars granted certain relaxations and thus permitted the holding of Annual General Meeting ("AGM") of the companies through VC/OAVM viz. without the physical presence of the Members at a common venue. Hence in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA / SEBI Circulars, as applicable, the AGM of the Company is being held through VC / OAVM (e-AGM).
- The Deemed Venue of the 25th AGM of the Company shall be its Registered Office.
- The Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), as the authorized agency for conducting the AGM and providing remote e-Voting and e-Voting facility for/during the AGM of the Company. The instructions for participation by Members are given in the subsequent notes..
- Since the AGM will be held through VC, the Route Map is not annexed to this Notice. The registered office of the Company shall be deemed to be the venue for the AGM.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
- Compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2023-24 will also be available on the Company's website [www.palred.com](http://www.palred.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of R&T Agent of the Company viz. KFin at [kfintech.com](http://kfintech.com).  
  
Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), folio No (in case of physical mode shares) via e-mail at the Email Id – [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) for obtaining the Annual Report and Notice of e-AGM of the Company electronically.
- In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- The facility of joining the e-AGM through VC / OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM, and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
- The Register of Members and Share Transfer Books of the Company will remain closed from 19.09.2024 to 25.09.2024 (both days inclusive) for the purpose of AGM.
- Mr. Vivek Surana, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-Voting/e-Voting process in a fair and transparent manner. The Scrutinizer will submit the report to the Chairman, or any person authorised by him after completion of the scrutiny and

the results of voting will be announced after the AGM of the Company. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the AGM. The result will also be displayed on the website of the Company at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) (where the Company is listed) and [www.evotingindia.com](http://www.evotingindia.com) (agency providing e-Voting facility).

11. Members of the Company under the category of Institutional/ Corporate Shareholders are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email at [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com) and the same should also be uploaded on the VC portal / e-Voting portal of CDSL.
12. Members who have not yet registered their e-mail addresses are requested to register the same with their DP in case the shares are held by them in demat mode and with RTA in case the shares are held by them in physical mode.
13. To register e-mail address for all future correspondence and update the bank account details, please follow the below process:
  - a. Members holding shares in Demat mode can get their details registered/updated only by contacting their respective DP.
  - b. Members holding shares in physical mode may register their email address and mobile number with the RTA by sending an e-mail request to the email ID [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address and mobile number, self-attested copy of Permanent Account Number Card ("PAN") and copy of a share certificate for registering their email address. Additional details like name and branch of Bank along with bank account type, bank account number, 9-digit MICR code, 11-digit IFSC code and scanned copy of cancelled cheque will be required for updating bank account details.
14. SEBI has mandated submission of PAN by every participant in the securities market. Members holding shares in demat mode are, therefore, requested to submit their PAN to their DP. Members holding shares in physical mode are required to submit their PAN details to the RTA.
15. As per the provisions of Section 72 of the Companies Act, 2013 ("the Act"), the facility for submitting nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same with their DP in case the shares are held by them in demat mode, and to the RTA, in case the shares are held in physical mode.

## 16. INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM:

### A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations and applicable circulars, the Members are provided with the facility to cast their vote electronically (through remote e-Voting as well as the e-Voting system on the date of the AGM), through the e-Voting services provided by CDSL, on all the resolutions set forth in this Notice.
- ii. The remote e-Voting period commences on Sunday, the 22nd day of September, 2024 (9.00 A.M. IST) and ends on Tuesday, the 24th day of September, 2024 (5.00 P.M. IST). During this period, Members holding shares either in physical mode or in demat mode, as on Thursday, the 19th day of September, 2024 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be abled by CDSL for voting thereafter. A person who is not a Member as on the Cut-off date should treat Notice of this Meeting for information purposes only.
- iii. The Members who have cast their vote by remote e-Voting prior to the AGM may attend/ participate in the AGM through VC but shall not be entitled to cast their vote again.
- iv. The voting rights of the Members shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e., 19.09.2024.
- v. Any person or non-individual Shareholders (in physical mode/ demat mode) who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow the steps mentioned below.
- vi. Login method for e-Voting and voting during the meeting for Individual Shareholders holding securities in demat mode.

In terms of the SEBI circular dated December 9, 2020 on the e-Voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-Voting process has been enabled to all individual Shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility. Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in <b>Demat mode with CDSL</b>	a. Users who have opted for Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider ("ESP") i.e. CDSL, for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all ESP i.e. CDSL/NSDL/KFin, so that the user can visit the ESP website directly.
	c. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> . Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. CDSL where the e-Voting is in progress.
Individual Shareholders holding securities in <b>Demat mode with NSDL</b>	a. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> .
	b. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.
	c. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider- CDSL and you will be re-directed to the CDSL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	d. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> .
	e. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> . Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
	f. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
	g. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider- CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in Demat mode) login through their <b>Depository Participants</b>	d. You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.
	e. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
	f. Click on Company name or e-Voting service provider name -CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use "Forget User ID" and "Forget Password" option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43..
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

vii. **Login method for e-Voting and voting during the meeting for Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.**

a) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

b) Click on Shareholders tab/ module.

c) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,

- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- Members holding shares in Physical Form should enter Folio Number registered with the Company.

d) Next enter the Image Verification as displayed and Click on Login.

e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

f) If you are a first time user follow the steps given below:

Login type	For Shareholders holding securities in physical mode and Shareholders other than Individual Shareholders holding securities in demat mode.
PAN	Enter your 10-digit alpha-numeric "PAN" issued by Income Tax Department. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by RTA or contact RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

g) After entering these details appropriately, click on "SUBMIT" tab.

h) Shareholders holding shares in physical mode will then directly reach the Company selection screen. However, Shareholders holding shares in Demat mode will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat account holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

j) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

m) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

p) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

q) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot password and enter the details as prompted by the system.

r) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote e-Voting only.**

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney ("POA") which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz; [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com), if they have voted from individual tab & not uploaded same in the CDSL e-Voting system for the scrutinizer to verify the same.



## **B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC AND E-VOTING DURING THE AGM:**

- i. The procedure for attending AGM and e-Voting on the day of AGM is same as the instructions mentioned above for e-Voting.
- ii. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- iii. The facility for joining the AGM shall open 15 minutes before the scheduled time for commencement of the AGM.
- iv. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
- v. Shareholders who have voted through remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- vi. Shareholders are encouraged to join the Meeting through Laptops / iPad for better experience.
- vii. Further Shareholders will be required to allow Camera (in case of speakers) and use Internet with a good speed to avoid any disturbance during the AGM.
- viii. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- ix. Members (holding shares as on Cut-off date) who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request, on or before Saturday, September 17, 2022, from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at company@palred.com. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- x. Only those Shareholders, who are present in the AGM through VC facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

- xi. If any Votes are cast by the Shareholders through the e-Voting available during the AGM and if the same Shareholders have not participated in the meeting through VC facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-Voting during the meeting is available only to the Shareholders attending the AGM.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

17. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act, shall be available for inspection during the AGM at e-Voting portal.
18. Statement pursuant to Section 102(1) of the Act, in respect of the Special Business to be transacted at the AGM along with details pursuant to SEBI Regulations and other applicable laws are annexed hereto. All documents referred to in the accompanying Notice and the Statement shall be available for inspection electronically. Members seeking to inspect such documents can send an email to company@palred.com.
19. The term 'Members' or 'Shareholders' has been used to denote Shareholders of Palred Technologies Limited.
20. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.Palred.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.

By order of the board  
For Palred Technologies Limited

Sd/-  
**Shruti Mangesh Rege**  
Company secretary

Place: Hyderabad  
Date: 30.08.2024

## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No: 3 Appointment of Statutory Auditor of the company M/s. M S K C & Associates, is a Chartered Accountant Firm registered with Institute of Chartered Accountants of India with Firm Registration No. 001595S and has established in the year of 1974. The firm has presence in 5 cities in India viz Bengaluru, Chennai, Hyderabad, Mumbai and Gurgaon,. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory.

The Audit Committee and the Board of Directors considered the following factors in recommending the appointment of M/s. MSKC & Associates, as the Statutory Auditors of the Company:

- Performance of M/s. MSKC & Associates, as Statutory Auditors of the Company during their present tenure;
- Experience of the firm in handling audits of large global corporations;
- Competence of the leadership and of the audit team of the firm in conducting the audit of the financial statements of the Company;
- Ability of the firm to seamlessly scale and understand the Company's operations, systems and processes; and
- Geographical presence and ability of the firm in servicing the Company and its subsidiaries at multiple locations.

M/s. MSKC & Associates, Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the company along with the confirmation that, their appointment, if approved by the shareholders, would be within the limits prescribed under the Companies Act, 2013.

Considering the above and their eligibility to be appointed as the statutory auditor for term of five (5) years under the applicable provisions of Guidelines issued by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, the Board of Directors, Pursuant to recommendation of the Board Audit Committee, had approved the appointment of M/s. MSKC & Associates, as a statutory auditor for term of five (5) years.

In terms of requirements of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended effective April 1, 2019, details of proposed remuneration and credentials of the Statutory Auditors are provided below!

- a. Terms of Appointment: the Statutory Auditors of the Company is being appointed for the period of five (5) years starting from conclusion of this AGM till the conclusion of 30th AGM of the Company to be held in financial year 2029-30.
- b. Proposed Audit fees payable to Auditor and material change in fee Payable: It is proposed to pay remuneration of Rs.8,00,000/- towards statutory audit and Rs. 6,00,000/- towards quarterly standalone and consolidated financial results and limited review reports along with the issuance of certificates in accordance with guidelines laid down by SEBI and Companies Act, 2013 for financial year 2024-25 aggregating to Rs.14,00,000/- plus applicable taxes along with out-of-pocket expenses and such remuneration and expenses thereafter as may be mutually agreed between the Company and the said Statutory Auditors. there are no material changes in the fee payable to new Statutory Auditors

- c. Basis of recommendation and Auditor credentials: M/s. MSKC & Associates is a Chartered Accountancy Firm registered with Institute of Chartered Accountants of India with Firm registration Number 001595S. The firm has presence in all over in India. The Firm provides range of services which include Audit & Assurance, Taxation, Accounting and Risk Advisory. The audit firm practice has significant experience in auditing listed and large multinational Companies

Your Board of Directors recommend to pass the resolution for appointment of Statutory Auditors, as an Ordinary Resolution as set out at item no. 3 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives are in any way, interested or concerned in this resolution

Item No. 4: To approve material related party transaction to be entered with Palred Electronics Private Limited, subsidiary company

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no Company shall enter into transactions with a Related Party except with the prior consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis. The proposed transactions with the related parties as mentioned in the resolution are at arm's length and in the ordinary course of business of the Company.

However, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material transactions with related parties required prior approval of the members of the Company through ordinary resolution. Material Related Party Transaction means any transaction entered either individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company, as per the last Audited Financial Statements of the Company, The last Annual Audited Consolidated Turnover of Palred Technologies Limited for the financial year 2023-24 was 12,044.33 Lakhs and 10% of the Annual Consolidated Turnover is Rs.1204.43 Lakhs.

The Audit Committee and Board of Directors of the Company have approved the following proposed Related Party Transactions with Palred Electronics Private Limited, subject to the approval of the members, which was placed before them at its respective meetings held on 30th August, 2024. Further, the said transactions qualify as Material Related Party Transactions under the SEBI Listing Regulations, 2015 and accordingly, the members' approval is sought for the same.

Nature of the Transactions	Nature of Relationship	Proposed Maximum Amount of Transactions
Sales/Purchases/Interest received/ Rent received/ Corporate Guarantee/ Corporate Guarantee Charges / Expenses on Fleet lease/ Reimbursement of Expenses/ Business Support Services/ Sale of Fixed Assets/Purchase of Fixed Assets	Material Subsidiary Company	Rs. 100 Crores

**INFORMATION AS PER THE SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2021/662 DATED 22ND NOVEMBER 2021 AND PROVISIONS OF COMPANIES ACT, 2013.**

**A. The following information were provided by the management of the listed entity to the Audit Committee at the time of approval of the proposed Related Party Transactions.**

a. Type, material terms and particulars of the proposed Transaction:

The proposed transactions include Sales/Purchases/ Interest received/Rent received/ Corporate Guarantee/ Corporate Guarantee Charges / Expenses on Fleet lease/ Reimbursement of Expenses/ Business Support Services/ Sale of Fixed Assets/Purchase of Fixed Assets. The Audit Committee has advised to execute the transactions as per the prevailing market conditions. All Transactions shall be carried out on arm's length basis and in the ordinary course of business of the Company

b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise):

Name of the Related Party	Relationship with Listed Entity	Nature of Concern or Interest
Palred Electronics Private Limited	Material Subsidiary Company	Palred Technologies Limited holds 78.17% of the Equity Share Capital.

c. Tenure of the proposed transaction: 1st April, 2024 to 31st March, 2025.

d. Value of the proposed Transactions: Rs. 100/- Crores (Proposed Maximum Amount for all the Transactions).

e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed Transaction: Approximately: 83.02%

For a Related Party Transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis: Approximately 85.21%

f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:

i) details of the source of funds in connection with the proposed transaction;	NIL
ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, ▪ nature of indebtedness; ▪ cost of funds; and ▪ tenure	NIL
iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	NIL
iv) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT	NIL.

**B. Justification for why the proposed transaction is in the interest of the listed entity:**

Palred Electronics Private Limited is a material subsidiary Company of Palred Technologies Limited and have been able to supply consistent quality at competitive price in line with the Company's supply schedules which is critical for the Company to gain and strengthen the share in the global consumer market. The proposed Transactions shall be carried out on arm's length basis and be consistent with the interests of the Company as well as the stakeholders.

**C. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:**

The Transaction relates to pledge of Fixed Assets against the Loan facility availed by Palred Electronics Private Limited, Subsidiary Company from Bank.

**D. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders:**

No such valuation or other external report is relied upon as of now. However, Company will provide a copy through the registered email address of the shareholders, in future, if anything in this obtained by the Company

None of the Directors, Key Managerial Personnel or their relatives except Mrs. Palem Supriya Reddy, Ms. Stuthi Reddy and Mr. Srikar Reddy and their relatives, are in any way concerned or interested in this resolution.

Your Board of Directors recommend to pass the resolution for appointment of Statutory Auditors, as an Ordinary Resolution as set out at item no. 4 of the Notice.

Item No: 5: To approve the enhancement in limit prescribed under Section 186 of the Companies Act, 2013.

The Company has been making investments in, giving loans and guarantees to and providing securities in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act.

The provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting. In view of the aforesaid, it is proposed to take approval under section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs. 100.00 Crores, as proposed in the Notice.

The investments, loans, guarantees and securities, as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made

there under. These investments are proposed to be made out of own/surplus funds/ internal accruals and or any other sources including borrowings, if necessary, to achieve long term strategic and business objectives.

The Board of Directors recommends resolution as set out in item No. 5 for approval of the members of the Company by way of passing a Special Resolution.

None of the Directors/Key Managerial Personnel of the Company

and their relatives are in any way, concerned or interested, financially or otherwise, in the Resolution set out in the Notice.

By order of the board

For Palred Technologies Limited

Sd/-

**Shruti Mangesh Rege**

Company secretary

Place: Hyderabad

Date: 30.08.2024



# DIRECTORS' REPORT

To the Members,  
**Palred Technologies Limited,**  
 Hyderabad, Telangana, India

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Palred') along with the audited "Financial statement for the "Fiscal Year ended March 31, 2024. The Consolidated performance of the Company and its subsidiaries has been referred to where required.

## 1. Financial summary/highlights:

The performance during the period ended 31st March, 2024 has been as under:

(Amount in Lakhs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Turnover/Income (Gross)	150.00	150.00	11,598.70	14,802.01
Other Income	299.62	191.78	445.63	267.02
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	298.82	181.08	295.16	504.78
Less: Depreciation/ Amortisation/ Impairment	6.16	6.02	165.63	106.28
Profit /loss before Finance Costs, Exceptional items and Tax Expense	292.66	175.06	129.53	397.92
Less: Finance Costs	1.71	2.04	639.23	442.76
Profit /loss before Exceptional items and Tax Expense	290.95	173.02	(509.70)	(44.84)
Add/(less): Exceptional items	(200.65)	102.51	0	0
Profit /loss before Tax Expense	90.30	275.53	(509.70)	(44.84)
Less: Tax Expense (Current & Deferred)	0	0	0	0
Profit /loss for the year (1)	90.30	275.53	(509.70)	(44.84)
Total Comprehensive Income/loss (2)	(0.62)	0.15	(3.67)	8.26
Total (1+2)	89.68	275.68	(513.36)	(36.58)
Balance of profit /loss for earlier years	(5890.83)	(6166.36)	(6385.12)	(5588.06)
Less: Transfer to Debenture Redemption Reserve	0	0	0	0
Less: Transfer to Reserves	0	0	0	0
Less: Dividend paid on Equity Shares	0	0	0	0
Less: Dividend paid on Preference Shares	0	0	0	0
Less: Dividend Distribution Tax	0	0	0	0
Balance carried forward	<b>(5800.52)</b>	<b>(5890.83)</b>	<b>(6732.91)</b>	<b>(6385.12)</b>

## 2. Overview & state of the company's affairs:

### Revenues – standalone

During the year under review, the Company has recorded an income of Rs. 449.62 Lakhs and profit of Rs. 89.68 Lakhs as against the income of Rs. 341.78 Lakhs and profit of Rs. 275.68 Lakhs in the previous financial year ending 31.03.2023.

### Revenues – Consolidated

During the year under review, the Company has recorded an income of Rs. 12044.33 Lakhs and loss of Rs. (513.36) Lakhs as against the income of Rs. 15069.03 Lakhs and loss of Rs. (36.58) Lakhs in the previous financial year ending 31.03.2023.

The Company is looking forward for good profit margins in near future

## 3. Dividend:

Keeping the Company's growth plans in mind, your directors have decided not to recommend dividend for the year.

## 4. Transfer to reserves:

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

## 5. Investor Relations:

The Company continuously strives for excellence in its Investor Relations engagement with International and Domestic investors through structured conference-calls and periodic investor/analyst interactions like individual meetings, participation in investor conferences, quarterly earnings calls and analyst meet from time to time. The Company ensures that critical information about the Company is available to all the investors, by uploading all such information on the Company's website.

## 6. Material changes & commitment affecting the financial position of the company:

There have been no material changes and commitments affecting the financial position of the Company which have occurred during the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

## 7. Significant & material orders passed by the regulators or courts or tribunals:

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

## 8. Transfer of un-claimed dividend to Investor Education and Protection:

The Company has not transferred any amount against un-claimed dividend to Investor Education and Protection Fund during the period under report.

## 9. Details of Nodal Officer:

The Company has designated Mr. Harish Naidu as a Nodal Officer for the purpose of IEPF.

## 10. Investor Education and Protection Fund (IEPF):

Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government

During the Year, the Company has not transferred any amount to Investor Education and Protection Fund.

## 11. Revision of financial statements:

There was no revision of the financial statements for the year under review.

## 12. Change in the nature of business, if any:

The Company has not undergone any change in the nature of business during the FY 2023-24.

## 13. Deposits from public:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2024 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2024, there has been no non-compliance with the requirements of the Act.

## 14. Depository System:

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members

holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

## 15. Subsidiary companies:

Your Company has three subsidiaries namely Palred Technology Services Private Limited, Palred Electronics Private Limited and Palred Retail Private Limited as on March 31, 2024.

In accordance with Section 129(3) of the Act, Consolidated Financial Statements have been prepared which form part of this Annual Report. As required under Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the subsidiaries in the prescribed form AOC-1 is enclosed as Annexure – B to this Report.

In accordance with Section 136 of the Act, the separate audited accounts of the subsidiary companies will be available on the website of the Company, [www.palred.com](http://www.palred.com) and the Members desirous of obtaining the accounts of the Company's subsidiaries may obtain the same upon request. These documents will be available for inspection by the members, till the date of AGM during business hours at registered office of the company.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with the SEBI Listing Regulations can be accessed on the Company's website at [www.palred.com](http://www.palred.com).

## 16. Performance highlights of key operating subsidiaries:

### Palred Electronics Private limited:

Palred Electronics Pvt Ltd (PEP) owns the consumer electronics brand, pTron, which bridges the gap between technology and people. pTron is a prominent player in the Indian consumer electronics market, offering a diverse range of affordable and innovative products, including Headphones, Speakers, Smart Wearables, Power Banks, and Cables & Chargers. With a strong commitment to quality and customer satisfaction, pTron has firmly established itself as a key player in the value-driven segment of the market.

### Economic and Industry Overview

The Indian consumer electronics industry faced considerable headwinds during FY 2023-24, primarily due to macroeconomic challenges such as high inflation, rising advertisement costs, and a slowdown in consumer spending, particularly on non-essential goods. The audio segment, which includes headphones and speakers, exhibited mixed trends. Reports by Research And Markets indicate that while the Indian audio device market is projected to grow at a CAGR of 9.4% from 2023 to 2028, the market was constrained in the short term by economic uncertainty and reduced consumer spending power.

### Performance Overview

FY 2023-24 was a transformative year for pTron, marked by significant operational advancements and strategic challenges:

1. Manufacturing Capabilities: pTron transitioned into full-fledged manufacturing, with 75% of its products now assembled in-house at its Nacharam facility in Hyderabad. This strategic shift has allowed the company to improve

quality control, reduce costs, and better manage supply chain dynamics. The products assembled in-house include Headphones, Smart Watches, Speakers, Chargers, and Power Banks.

2. Revenue and Profitability: Despite these operational improvements, pTron experienced a decline in overall revenue due to reduced market demand and intensified competition. The company reported a net loss of Rs. 713.50 Lakhs, up from the previous year, largely attributed to lower sales volumes in key segments, high marketing costs, and ongoing price pressures.

#### Business Strategy

During FY 2023-24, pTron focused on leveraging its new manufacturing capabilities to enhance product quality and cost efficiency. The company also maintained its market presence through aggressive marketing, innovation, and selective investments in growth areas, particularly in resilient categories like Power Banks and Speakers.

#### Risks and Concerns

Key risks include ongoing market saturation in the audio segment, intensified competition, fluctuating raw material prices, and potential regulatory changes that could impact manufacturing costs and import duties.

#### Outlook

Looking forward, pTron aims to navigate the challenges of the current market environment by optimizing operations, enhancing profitability, and strategically positioning itself for future growth. The company plans to replicate the success seen in the Power Banks and Speaker segments across other product categories.

#### Conclusion

FY 2023-24 was a year of significant transformation for pTron, marked by the expansion of its manufacturing capabilities and the transition to in-house assembly of key products. While revenue degrowth and increased losses posed challenges, the company's investments in manufacturing and its strong performance in the Power Banks and Speaker segments provide a solid foundation for future growth.

#### Palred Retail Private Limited:

Palred Retail Private Limited owns ecommerce website, ptron.in and www.LatestOne.com that specialize in selling of tech and mobile accessories such as Bluetooth speakers and headsets, cables, power banks, headsets, smart watches, fashion accessories etc.

#### Palred Technology Services Private Limited:

PTS offers a bouquet of Products through its brand "Xmate" that is exclusively available on Amazon.in. Xmate Sells products like Bluetooth headsets, Bluetooth speakers, wired headsets, chargers and cables, Computer Accessories, Cameras & Camera Accessories etc. The brand faced many challenges since inception because of high advertisement costs and competition from other big brands. The Company was not able to achieve desired growth and it continues to make losses. Hence, the Company has decided to exit "Xmate" brand business..

### 17. Companies which have become or ceased to be subsidiaries:

During the FY 2023-24, there was no change in subsidiaries. For further analysis on the consolidated performance, the attention is invited to the section on Management Discussion and Analysis and notes to the consolidated financial statements.

### 18. Investment in subsidiaries:

During financial year 2023-24, the Company had not infused any capital in Subsidiary Companies.

### 19. Brand protections:

Your Company has taken appropriate actions against counterfeits, fakes and other forms of unfair competitions/ trade practices.

PALRED, PTRON, #BELOUDBEPROUD, DaZon, Xmate and LATESTONE are key intangible assets of the Company and its subsidiaries.

### 20. Independent director's familiarization programmes:

Independent Directors are familiarized about the Company's operations, businesses, financial performance and significant development so as to enable them to take well-informed decisions in timely manner. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company are also made to the directors. Direct meetings with the Chairperson are further facilitated to familiarize the incumbent Director about the Company/its businesses and the group practices.

The details of familiarisation programme held in FY 2023-24 are also disclosed on the Company's website and its web link is <http://www.palred.com>

### 21. Board Evaluation

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation.

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in February 2024. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, and Independent External Persons. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.

## 22. Meetings of the Board:

The Board of Directors duly met Four (4) times on 27.05.2023, 11.08.2023, 10.11.2023 and 10.02.2024 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

## 23. Committees of the Board:

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and Risk Management Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year have been enumerated in Corporate Governance Report forming part of this Annual Report.

## 24. Audit Committee Recommendations:

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

## 25. Directors and key managerial personnel:

As on date of this report, the Company has Six Directors, out of those three are Independent Directors including one Woman Independent Directors.

- a) Appointment/Re-appointment of Directors of the Company:  
Reappointment of Ms. Stuthi Reddy as Non-Executive Director who retires by rotation and eligible for re-appointment.
- b) Resignation/ Cessation of Directors of the Company:  
During the year, no Director resigned or ceased to be Director of the Company.
- c) Key Managerial Personnel:  
Key Managerial Personnel for the financial year 2023-24
  - Mr. Palem Supria Reddy, Chairperson & Managing Director of the company.
  - Mr. P. Harish Naidu, Chief financial officer of the company.
  - Mr. Shruti Mangesh Rege, Company Secretary & Compliance Officer of the Company.

## 26. Statutory audit and auditors report:

The members of the Company at their Annual General Meeting held on 30th September, 2019 have appointed M/s. MSKA & Associates, as statutory auditors of the Company to hold office until the conclusion of 25th Annual General meeting of the Company.

The existing Statutory Auditors M/s MSKA & Associates, chartered accountants, Hyderabad will retire at the ensuing Annual General Meeting. Accordingly, pursuant to the provisions of sections 139 of the companies Act, 2013 read with rules made there under, and based on the recommendation of the Audit Committee, the Board in its meeting held on 30.08.2024 has appointed M/s MSKC & Associates Chartered Accountants, Hyderabad as the statutory auditors of the company, from the conclusion of 25th Annual General Meeting for a period of five Years till the conclusion of this 30th Annual General Meeting subject to the approval of members in ensuing Annual General Meeting.

The Auditors' Report for fiscal year 2023-2024 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated Audited Financial Results of the Company for the Financial Year ended March 31, 2024 from the statutory auditors of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

## 27. Internal auditors:

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review, the Internal Audit of the functions and activities of the Company was undertaken by M/s Seshachalam & Co., the Internal Auditor of the Company.

Deviations are reviewed periodically and due compliance was ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to the Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

## 28. Secretarial Auditor & Audit Report:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed Mr. Vivek Surana, Practicing Company Secretary (CP No. 12901) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2024.

The Secretarial Audit was carried out by Mr. Vivek Surana, Practicing Company Secretary (CP No. 12901) for the financial year ended March 31, 2024. The Report given by the Secretarial Auditor is annexed herewith as Annexure-L and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 29. Annual Secretarial Compliance Report:

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. Further, Secretarial Compliance Report dated May 27, 2024, was given by Mr. Vivek Surana, Practicing Company Secretary which was submitted to Stock Exchanges within 60 days of the end of the financial year.

## 30. Secretarial Audit of Material Unlisted Indian Subsidiaries:

M/s. Palred Electronics Private Limited (PEP) is a material subsidiary of the Company undertake Secretarial Audit every year under Section 204 of the Companies Act 2013. The



Secretarial Audit of PEP for the Financial Year 2023-24 was carried out pursuant to Section 204 of the Companies Act 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Secretarial Audit Report of PEP, submitted by Mr. Vivek Surana, Practicing Company Secretary.

The Reports given by the Secretarial Auditor is annexed herewith and forms integral part of this Report.

As required under Regulation 16(1) (C) of Listing Regulations, the Company has formulated and adopted a policy for determining 'Material' Subsidiaries, which has been hosted on its website at: <https://www.palred.com>

### 31. Cost records and cost audit:

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

### 32. No Frauds reported by statutory auditors

During the Financial Year 2023-24, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

### 33. Declaration by the Company

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

### 34. Conservation of energy, technology absorption and foreign exchange outgo:

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder and Rule 8 of Companies (Accounts) Rules, 2014::

#### A. Conservation of Energy:

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

#### B. Technology Absorption:

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

#### C. Foreign Exchange Earnings and Out Go:

1. Foreign Exchange Earnings: Nil
2. Foreign Exchange Outgo: Nil

### 35. Management discussion and analysis report:

Management discussion and analysis report for the year under review as stipulated under Regulation 34(2) (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as **Annexure- G** to this report.

### 36. Risk management policy:

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of

operations and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

### 37. Corporate governance:

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance as **Annexure E**.

### 38. Annual Return:

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return in Form MGT-7 is also available on the Company's website URL: <https://www.palred.com>

### 39. Authorised and paid-up capital of the company:

The authorized capital of the company stands at Rs. 35,00,00,000/- divided into 2,80,38,800 equity shares of Rs.10/- each and 6,96,120 redeemable optionally convertible cumulative preference shares of Rs. 100/- each. The company's paid up capital is Rs. 12,23,25,660/- divided into 12232566 equity shares of Rs. 10/- each.

### 40. Declaration of independence:

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with both the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations attached as **Annexure K**.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

#### 41. Director's Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2024:

- a) in the preparation of the annual accounts for the financial year ended 31 March 2024, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2024 and of the profit and loss of the Company for the financial year ended 31 March 2024;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

#### 42. Vigil Mechanism/Whistle Blower Policy:

The Company has formulated a Vigil Mechanism / Whistle Blower Policy pursuant to Regulation 22 of the Listing Regulations and Section 177(10) of the Act, enabling stakeholders to report any concern of unethical behaviour, suspected fraud or violation.

The said policy inter-alia provides safeguard against victimization of the Whistle Blower. Stakeholders including directors and employees have access to the Managing Director & CEO and Chairperson of the Audit Committee.

During the year under review, no stakeholder was denied access to the Chairperson of the Audit Committee.

The policy is available on the website of the Company at [www.palred.com](http://www.palred.com).

#### 43. Employee stock option scheme:

The Company has an Employee Stock Option (ESOP) scheme, namely "Employee Stock Option Scheme 2016-" (PALRED ESOP Scheme) which helps the Company to retain and attract right talent. The Nomination and Remuneration Committee (NRC) administers the Company's ESOP scheme. There were no changes in the ESOP scheme during the financial year under review. The ESOP scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [SEBI (SBEB) Regulations, 2014].

Disclosure in compliance with the SEBI (Share Based Employee Benefits) regulations, 2014 are available on the company website of the company at [www.palred.com](http://www.palred.com)

#### 44. Corporate social responsibility policy:

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

#### 45. Secretarial Standards:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

#### 46. Insurance:

The properties and assets of your Company are adequately insured.

#### 47. Particulars of Loans, Guarantees or Investments

During the year under review, the Company has given a pledge of fixed assets against the overdraft facility to Palred Electronics Private Limited (a Subsidiary Company) amounting to Rs. 50 Crores. Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the notes to the financial statements.

#### 48. Internal Financial Control Systems:

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well-defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors.

The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

#### 49. Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2023-24, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions

with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed & approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- C to this report.

## **50. Policy on director's appointment and remuneration:**

In adherence to the provisions of Section 134(3)(e) and 178(1) & (3) of the Companies Act, 2013, the Board of Directors upon recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said Policy extract is covered in Corporate Governance Report which forms part of this Report and is also uploaded on the Company's website at [www.palred.com](http://www.palred.com).

## **51. Particulars of Employees and related Disclosure:**

Disclosure pertaining to remuneration and other details as required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure-D to this Report.

The Statement containing the particulars of employees as required under section 197(12) of the Companies Act, 2013 read with rule 5(2) and other applicable rules (if any) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding

During the year none of the employees is drawing a remuneration of Rs.1,02,00,000/- and above per annum or Rs.8,50,000/- per month and above in aggregate per month, the limits specified under the Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **52. Implementation of Corporate Action**

During the year under review, the Company has complied with the specified time limit for implementation of Corporate Actions.

## **53. Shares transferred to investor education and protection fund:**

No shares were transferred to the Investor Education and Protection Fund during the year under review.

## **54. Ratio of remuneration to each director:**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Mrs. Palem Supriya Reddy, Managing Director of the Company to the median remuneration of the employees is 1.20:1 and of Mr. P. Harish Naidu, CFO of the Company is 3.20:1.

## **55. Non-executive directors' compensation and disclosures:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

## **56. Industry based disclosures as mandated by the respective laws governing the company:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

## **57. Failure to implement corporate actions:**

During the year under review, no corporate actions were done by the Company which were failed to be implemented.

## **58. Corporate insolvency resolution process initiated under the insolvency and bankruptcy code, 2016.**

No corporate insolvency resolution processes were initiated against the Company under the Insolvency and Bankruptcy Code, 2016, during the year under review.

## **59. Details of difference between valuation amount on one time settlement and valuation while availing loan from banks and Financial institutions:**

During the year under review, there has been no one time settlement of loans taken from

banks and financial institutions.

## **60. Policies:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website ([https:// www.palred.com/investors/ policies](https://www.palred.com/investors/policies)). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

Name of the policy	Brief Description	Website link
Board Diversity Policy	At Palred Technologies Limited, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	<a href="https://www.palred.com">https://www.palred.com</a>
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the Directors, key managerial personnel and other employees.	<a href="https://www.palred.com">https://www.palred.com</a>
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	<a href="https://www.palred.com">https://www.palred.com</a>
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties	<a href="https://www.palred.com">https://www.palred.com</a>

### 61. Statutory compliance:

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

### 62. Code of conduct for the prevention of insider trading:

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading ("Insider Trading Code") and a Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information ("UPSI").

The Code of Practices and Procedures for fair disclosure of UPSI is available on the website of the Company at <https://www.Palred.com>

### 63. CEO/CFO Certification:

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO/CFO certification is attached with the annual report as **Annexure I**.

### 64. Prevention of sexual harassment at workplace:

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adopted a policy on Prevention of Sexual Harassment at Workplace which aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. An Internal Complaints Committee ("ICC") has been set up by the senior management (with women employees constituting the majority). The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

During the financial year ended March 31, 2024, no complaints pertaining to sexual harassment have been received.

### 65. Green Initiatives:

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 25th Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

### 66. Event Based Disclosures

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by Company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: NA

### 67. Disclosure pursuant to Part A of Schedule V of SEBI LODR

Disclosure pursuant to Part-A of Schedule V read with Regulation 34(3) of SEBI is attached as **Annexure-M** of this report.

### 68. Other Disclosures:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.



## 69. Appreciation & acknowledgement:

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from the investors, customers, business associates, bankers, vendors, as well as regulatory and governmental authorities. Your Directors also thanks the employees at all levels, who through their dedication, co-operation, support and smart work have

enabled the company to achieve a moderate growth and is determined to poise a rapid and remarkable growth in the year to come.

Your Directors also wish to place on record their appreciation of business constituents, banks and other “financial institutions and shareholders of the Company like SEBI, BSE, NSE, NSDL, CDSL, ICICI Bank, Kotak Mahindra Bank and CITI Bank etc. for their continued support for the growth of the Company.

For and on behalf of the Board of  
**Palred Technologies Limited**

Sd/-

**P. Supriya Reddy**  
Chairperson & Managing Director  
(DIN: 00055870)

Sd/-

**S. Vijaya Saradhi**  
Director  
(DIN: 03089889)

Place: Hyderabad  
Date: 30.08.2024

## Annexure-A to the Director's Report

Pursuant to the provisions of Securities and Exchange Board of India Regulation 14 of SEBI (Share based Employee Benefits) Regulations, 2014 as amended and the provisions of the Companies Act 2013 the details of stock options as on March 31, 2024 under company's Employee Stock Option Schemes are as under:

Si. No.	Details Related to ESOPS	PALRED ESOP Scheme 2016
1.	Description of each ESOP that existed at any times during the year, including the general terms and conditions of each ESOPS including:	4,00,000
	a. Date of Shareholders Approval	N.A
	b. Total no. of options approved under ESOPS	N.A
	c. Vesting Requirements	N.A
	d. Exercise price or Pricing Formula	N.A
	e. Maximum term of options granted	N.A
	f. Source of shares (primary, secondary or combination)	N.A
	g. Variation in terms of options	N.A
2.	Method used to account for ESOPS	N.A
3.	Option movement during the year :	4,00,000
	a. Number of options outstanding at the beginning of the period	N.A
	b. Adjustment on account of bonus issue (if any)	N.A
	c. No. of options granted during the year	N.A
	d. No. of options forfeited/lapsed during the year	N.A
	e. No. of options vested during the year	N.A
	f. No. of options exercised during the year	N.A
	g. No. of shares arising as a result of exercise of options	N.A
	h. Money realized by exercise of options (INR), if scheme is implemented directly by the company	N.A
	i. Loan repaid by the trust during the year from exercise price received	N.A
	j. No. of option outstanding at the end of the year	N.A
	k. No. of options exercisable at the end of the year	N.A
4.	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	N.A

For and on behalf of the Board of  
**Palred Technologies Limited**

Sd/-

**P. Supriya Reddy**  
Chairperson & Managing Director  
(DIN: 00055870)

Sd/-

**S. Vijaya Saradhi**  
Director  
(DIN: 03089889)

Place: Hyderabad  
Date: 30.08.2024

## Annexures-B to the Director's Report

### Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
For the financial year ended 31st March, 2024

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint Ventures:

#### PART A- Subsidiaries

Sl. No.	Particulars	Details	Details	Details
1.	Name of the subsidiary	Palred Electronics Private Limited	Palred Technology Services Private Limited	Palred Retail Private Limited
2.	The date since when subsidiary was acquired	18th November, 2014	6th February, 2015	17th May, 2018
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01st April, 2023 to 31st March, 2024	01st April, 2023 to 31st March, 2024	01st April, 2023 to 31st March, 2024
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable
	Share capital	Authorized – 4300.00 Paid Up Capital – 3264.36	Authorized – 1301.00 Paid Up Capital – 1301.00	Authorised- 363.15 Paid-up Capital- 310.81
6.	Reserves & surplus	(2642.71)	(1465.45)	(456.02)
7.	Total assets	7598.21	70.29	51.97
8.	Total Liabilities (Excluding Share Capital, Reserves and Surplus)	6976.57	234.74	206.17
9.	Investments	-	-	-
10.	Turnover	11,736.41	7.22	2.71
11.	Profit before taxation	(711.04)	(31.52)	(9.01)
12.	Provision for taxation / Deferred Tax	-	-	-
13.	Profit after taxation	(711.04)	(31.52)	(9.01)
14.	Proposed Dividend	NIL	NIL	NIL
15.	Extent of shareholding	78.17%	100%	83.71%

#### Note:

1. Name of the Subsidiaries which are yet to commence operations: NIL
2. Name of Subsidiaries liquidated or sold or strike off during the year: NIL

#### PART B – Associates and Joint Ventures

The Company does not have any Associate or Joint Venture.

For and on behalf of the Board of  
**Palred Technologies Limited**

Sd/-

**P. Supriya Reddy**  
Chairperson & Managing Director  
(DIN: 00055870)

Sd/-

**S. Vijaya Saradhi**  
Director  
(DIN: 03089889)

Place: Hyderabad  
Date: 30.08.2024

# Annexures-C to the Director's Report

## Form No. AOC-2

### Particulars of contracts/arrangements made with related parties

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis – Nil
2. Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2024 are as follows:

	Name(s) of the related party	Nature of relationship	Duration of the contracts	Salient terms	Date(s) of approval by the Board, if any:	Amount (Rs. In Lakhs)
1.	Palred Electronics Private Limited	Subsidiary Company	Running contract	Sale of goods or services	Refer Note Below	Rs. 150.00
2.	Mr. Palem Supriya Reddy	Managing Director (KMP)	Running Contract	Managerial Remuneration	NA	Rs.15.00
3.	Ms. Stuthi Reddy	Director (KMP)	Running Contract	Purchase of goods and services	NA	Rs. 6.00
4.	Palred Electronics Private Limited	Subsidiary Company	Running Contract	Pledge of Fixed Assets against Working Capital Loan	NA	Rs. 4,750.00
5.	Mr. S. Vijaya Saradhi	Independent Director	Running Contract	Director Sitting Fees	NA	Rs. 0.40
6.	Mr. Atul Sharma	Independent Director	Running Contract	Director Sitting Fees	NA	Rs. 0.60
7.	Ms. Aakanksha	Independent Director	Running Contract	Director Sitting Fees	NA	Rs. 0.60
8.	Mr. P. Harish Naidu	CFO (KMP)	Running Contract	Salary Expenses	NA	Rs.40.00
9.	Ms. Shruti Rege	CS & Compliance Officer (KMP)	Running Contract	Salary Expenses	NA	Rs. 10.00
10.	Palred Technology Services Private Limited	Subsidiary Company	Running Contract	Pledge of Fixed Assets against Working Capital Loan	NA	Rs. 240.23

#### Notes:

- 1) The Board of Directors of Palred Technologies Limited has taken omnibus approval from Audit Committee vide meeting conducted dated 27.05.2023 for recurrent Related Party Transactions to be conducted during the F.Y. 2023-24.

For and on behalf of the Board of  
**Palred Technologies Limited**

Sd/-  
**P. Supriya Reddy**  
Chairperson & Managing Director  
(DIN: 00055870)

Sd/-  
**S. Vijaya Saradhi**  
Director  
(DIN: 03089889)

Place: Hyderabad  
Date: 30.08.2024



## Annexures-D to the Director's Report

Information as per Rule 5(1) of Chapter XIII, Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The nomination and remuneration committee consists of 3 Independent Directors. It reviews the remuneration of Chairperson and Managing Director of the Company.

Name of Director	DIN	Title	Remuneration in Fiscal 2024	Remuneration in Fiscal 2023	% increase	Ratio of the remuneration of director to the median remuneration of the employees of the company for the financial year 2023-2024	Percentage increase in the median remuneration of employees in the financial year
Palem Supriya Reddy	00055870	Chairperson and Managing Director	15,00,000	15,00,000	Nil	1.20:1	Nil

Remuneration Paid to Independent Directors in Financial Year 2023-2024 - Nil

The Independent Directors are entitled to sitting fees of Rs. 15,000/- per Board Meeting for attending Board Meetings.

Percentage increase in remuneration of each Director, Company Secretary and Chief Financial Officer in the financial year 2023-2024.

Director- Nil

Company Secretary- Nil

Chief Financial Officer- Nil

Percentage increase in the median remuneration of employees in the financial year 2023-2024- Nil

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

For and on behalf of the Board of  
**Palred Technologies Limited**

Sd/-

**P. Supriya Reddy**  
Chairperson & Managing Director  
(DIN: 00055870)

Sd/-

**S. Vijaya Saradhi**  
Director  
(DIN: 03089889)

Place: Hyderabad  
Date: 30.08.2024

**Annexure-E to the Director's Report****Report on Corporate Governance**

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Palred Technologies Limited as follows:

**1. Company's Philosophy on Corporate Governance**

Company's endeavour is to maximize shareholder value. Palred is committed to adopt best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

Company has adopted a code of conduct which is applicable to all employees and is posted on the website of the Company. The Company also has in place a code for preventing insider trading.

Company is fully compliant with the requirements of the listing regulations and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

**2. Board diversity**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, [www.palred.com](http://www.palred.com).

**3. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company framed the following policies which are available on Company's website i.e. [www.palred.com](http://www.palred.com)

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarization programme for Independent Directors
- Sexual Harassment Policy
- Related Party Policy
- Code of Conduct for Board of Directors and Senior Management Personnel

**4. Palred' code of conduct for the prevention of insider trading**

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.palred.com](http://www.palred.com)

**5. Board of Directors**

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2024, the Company's Board comprised of Six Directors, out of which One are promoter Directors. In addition, there are three independent Directors on the Board including One Women Director. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

**6. Skills / Expertise / Competencies of the Board of Directors**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

Sl. No.	Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company	Names of the Directors who have such skills / expertise / competence
1.	Business Strategy, Sales & Marketing, Law, Taxation, Finance , Foreign Exchange Related	Mr. Srikar Reddy
2.	Corporate Governance, Administration, Decision Making	Mr. Srikar Reddy & Mrs. P. Supriya Reddy
3.	Financial and Management skills.	Mr. Atul Sharma & Mr. S. Vijaya Saradhi
4.	Technical / Professional skills	Ms. Stuthi Reddy & Ms. Aakanksha
5.	Behavioural skills - attributes and competencies	Mrs. P. Supriya Reddy

**7. Appointment/Re-appointment of Directors**

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

## 8. Attendance and directorships held

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in

**Table 1.**

Table-1								
Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Committee Memberships	No. of Committee Chairmanships
Sribhashyam Vijaya Saradhi	None	Independent Director	4	4	Yes	3 Deemed Public Companies	4	2
Atul Sharma	None	Independent Director	4	4	Yes	0	3	0
Ms. Aakanksha	None	Independent Director	4	4	Yes	0	3	1
Mr. Srikar Reddy	Brother-in -Law of Chairperson & Managing Director	Director	4	3	Yes	4 Public Companies	9	0
Mrs. P. Supriya Reddy	Mother of Director	Promoter Director	4	3	Yes	0	3	1
Ms. Stuthi Reddy	Daughter of Chairperson & Managing Director	Promoter Director	4	1	No	3 Deemed Public Companies	1	0

The Name of other listed entities where directors of the company are directors and the category of directorship are shown in following table:

Sr.No.	Name of Director	Name of the Listed Companies in Which Director is Director	Nature of Directorship
1.	Mr. Srikar Reddy	Sonata Software Limited	Managing Director
		Visaka Industries Limited	Director

## 9. Information supplied to the board

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.

- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

###### 10. Familiarization program for independent directors

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year.

The Company's Policy of conducting the Familiarization Program and details of such familiarization program during the year, is placed on its website viz., [www.palred.com](http://www.palred.com).

###### 11. Committees of the board

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Risk Management Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

###### 12. Performance Evaluation of Board, Committees and Directors

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2023-24 on February 10, 2024, involving the following:

- Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 10th, 2024, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

- Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.

(iii) **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.

(iv) **Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

(v) **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

Categories	Rating (out of 5)
Board as a whole	4.89
Individual Directors	
Mrs. P. Supriya Reddy	4.92
Mr. S. Vijaya Saradhi	4.84
Mr. Atul Sharma	4.75
Mrs. Aakanksha	4.89
Mr. Srikar Reddy	4.91
Mrs. Stuthi Reddy	4.79
Audit Committee	4.74
Stakeholder Relationship Committee	4.75
Nomination & Remuneration Committee	4.79
Risk Management Committee	4.51

Disclosures as prescribed under SEBI circular dated May 10, 2018 are given below:

Observations of Board evaluation carried out for the year	No observations.
Previous year's observations and actions taken	Since no observations were received, no actions were taken.
Proposed actions based on current year observations	Since no observations were received, no actions were taken.

###### 13. Declaration by Independent Directors:

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 read with Section 149(6) of the Act.

###### 14. Declaration by Board:

The Board has confirmed that in its opinion, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

During the year under review, no Independent Director has resigned before expiry of his tenure.



## 15. Audit committee:

Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.

### A. Brief Description of Terms of Reference: -

Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- c. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- d. Approval of payment to statutory auditors for any other services rendered by them.
- e. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
  - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv) Significant adjustments made in the financial statements arising out of audit findings;
  - v) Compliance with listing and other legal requirements relating to financial statements
  - vi) Disclosure of any related party transactions;
  - vii) Modified opinion(s) in the draft audit report;
- f. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- g. Examination of the financial statement and the auditors' report thereon;
- h. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- i. Approval or any subsequent modification of transactions with related parties;
- j. Scrutiny of inter-corporate loans and investments;
- k. Review of valuation of undertakings or assets of the company wherever it is necessary;
- l. Evaluation of internal financial controls and risk management systems;
- m. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- q. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- r. Review the functioning of the whistle blower mechanism;
- s. Review and monitor the end use of funds raised through public offers and related matters;
- t. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- u. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- v. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.
- w. Review of the following information:
  - management discussion and analysis of financial condition and results of operations;
  - statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - management letters / letters of internal control weaknesses issued by the statutory auditors;
  - internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
  - Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
  - The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
  - Carrying out any other function as may be referred to the Committee by the Board.
  - Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

### B. Internal Audit:

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

**C. Composition, Meetings & Attendance:**

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. S. Vijaya Saradhi, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2024 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. S. Vijaya Saradhi	Chairman	NED(I)	4	4
Mr. Atul Sharma	Member	NED(I)	4	4
Ms. Aakanksha	Member	NED(I)	4	4
Mr. P. Srikar Reddy	Member	NED	4	3

The Audit Committee met 4 times during the financial year 2023-24 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 27th May 2023, 11th August 2023, 10th November 2023 and 10th February 2024. Requisite quorum was present at the above Meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 09th September, 2023.

**16. Nomination and remuneration committee:**

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.

- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- Oversee familiarisation programmes for Directors.
- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- Perform other activities related to the charter as requested by the Board from time to time.

**A. Composition of the committee, meetings and attendance during the year:**

There were One Nomination and Remuneration Committee Meetings held during the financial year 2023-24 on 10.02.2024.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. S. Vijaya Saradhi	Chairman	NED(I)	1	1
Mr. Atul Sharma	Member	NED(I)	1	1
Mrs. Aakanksha	Member	NED(I)	1	1
Mrs. Supriya Reddy Palem	Member	ED	1	1

**17. Stakeholder's relationship committee:**

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing

Regulations and section 178 of the Act, 2013 which inter-alia include:

- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (ii) Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/ Board/ KMPs, as may be required and identifying actionable points for implementation.
- (iii) Review of measures taken for effective exercise of voting rights by shareholders.
- (iv) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (v) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2023-24, 4 meetings of the Committee were held on 27th May 2023, 11th August 2023, 10th November 2023 and 10th February 2024. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Cate- gory	No of Meetings held	No of Meetings attended
Mrs. Aakanksha	Chairperson	NED(I)	4	4
Mr. S. Vijaya Saradhi	Member	NED(I)	4	4
Mrs. Supriya Reddy Palem	Member	ED	4	3

## 18. Performance evaluation criteria for independent directors:

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

Policy:

1. The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
  - General understanding of the company's business dynamics, global business and social perspective;
  - Educational and professional background
  - Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

2.1 The proposed appointee shall also fulfil the following requirements:

- shall possess a Director Identification Number;
- shall not be disqualified under the companies Act, 2013;
- shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

## 3. Criteria of independence

3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

## 4. Other directorships/ committee memberships

4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited

companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

#### 19. Name and designation of compliance officer:

Ms. Shruti Mangesh Rege is the Company Secretary & Compliance Officer of the Company.

#### 20. Details of complaints/requests received, resolved and pending during the year 2023-24:

Number of complaints	Number
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	0
Number of complaints resolved	0
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2023	0
Complaints pending as on March 31, 2023	0
Number of Share transfers pending for approval, as on March 31, 2023	0

#### 21. Pecuniary Relationship or Transactions Of The Non-Executive Directors Vis-À-Vis The Listed Company:

Ms. Stuthi Reddy, Non-Executive Director of the Company has pecuniary relationship with Company. Following are transaction details:

Sr. No.	Name of Non-Executive Director	Nature of Transaction	Amount (Rs.)
1.	Ms. Stuthi Reddy	Lease of Premises	6,00,000/-

#### A. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

Policy:

- Remuneration to Executive Director and key managerial personnel
- The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of

the company within the overall limit approved by the shareholders.

- The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
- The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
  - Basic pay
  - Perquisites and Allowances
  - Stock Options
  - Commission (Applicable in case of Executive Directors)
  - Retrial benefits
  - Annual performance Bonus
- The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

#### 2. Remuneration to Non – Executive Directors

- The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
- Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

#### 3. Remuneration to other employees

- Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

#### B. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2023-24 AND OTHER DISCLOSURES:

Name of the Director	Salary(Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Supriya Reddy Palem	15,00,000	--	16,02,261	--	--	--	--
Sribhashyam Vijaya Saradhi	--	40,000	--	--	--	--	--
Atul Sharma	--	60,000	--	--	--	--	--
Richa Patnaik	--	--	--	--	--	--	--
Mr. Srikar Reddy	--	--	--	--	--	--	--
Aakanksha	--	60,000	--	--	--	--	--
M.V.L. N. Murthy	--	--	--	--	--	--	--
Stuthi Reddy	--	--	10,00,000	--	--	--	--



## 21. Independent directors' meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 10.02.2024, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarization program is given at company's website ([www.palred.com/ Investor Relations](http://www.palred.com/Investor%20Relations)).

### viii) Remuneration policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities should and individual performance.

### Policy for selection of directors and determining directors' independence:

#### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

#### 2. Terms and References:

- 2.1 "Director" means a director appointed to the Board of a Company.
- 2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Remuneration policy for Directors, key managerial personnel and other employees:

#### 1. Scope:

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

## 2. Terms and Reference:

In this policy the following terms shall have the following meanings:

- 2.1 "Director" means a director appointed to the Board of the company.
- 2.2 "Key Managerial Personnel" means
  - (i) The Chief Executive Office or the Managing Director or the Manager;
  - (ii) The Company Secretary;
  - (iii) The Whole-Time Director;
  - (iv) The Chief Finance Officer; and
  - (v) Such other office as may be prescribed under the companies Act, 2013
- 2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## 22. Risk Management Committee: -

The Company has an effective risk management procedure, which is governed at the highest level by the Board of Directors. However, to further strengthen & streamline the procedures about risk assessment and minimization procedures, the Board of Directors voluntarily constituted a Board level Risk Management Committee (RMC).

### A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Mrs. Supriya Reddy Palem	Chairperson	ED
Mr. Atul Sharma	Member	NED(I)
Mr. S. Vijaya Saradhi	Member	NED(I)
Ms. Stuthi Reddy	Member	NED

### Role and responsibilities of the committee includes the following:

- Framing of Risk Management Plan and Policy.
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

## 23. Monitoring Governance of Subsidiary Companies:

Pursuant to regulation 16(1)(c) of the Listing Regulations, the Company has three material subsidiary as on 31st March, 2024, i.e. Palred Technology Services Private Limited, Palred Electronics Private Limited and Palred Retail Private Limited. The Company has material subsidiary pursuant to regulation 24 of the Listing Regulations and is required to appoint Independent Director on the Board of its material

subsidiary. The Company has appointed Mr. S. Vijaya Saradhi on the Board of Palred Electronics Private Limited, Palred Technology Services Private Limited, Palred Retail Private Limited and Mr. YVR Srinivas on the Board of Palred Electronics Private Limited & Palred Retail Private Limited.

The financial statements of the subsidiaries are reviewed by the Audit Committee. The minutes of the meetings of the subsidiaries are placed before the Board of Directors of the Company, and the Board has periodically noted and reviewed all significant transactions entered into by the subsidiaries. Investment proposals beyond threshold values are executed by the subsidiary companies only after positive recommendation by the Board/Investment and Risk Management Committee of the Company.

#### 24. Non-executive directors' compensation and disclosures:

None of the Independent/Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

#### 25. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and likely impact on equity:

During the Year under report, the Company has not issued convertible instruments.

#### 28. Details on general body meetings:

##### A. Location, date and time of last three AGMs and special resolutions there at as under:

Financial Year	Date	Time	Location	Special / Ordinary Resolution
2022-23	09.09.2023	9.00 AM	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	2 Ordinary Resolutions & 1 Special Resolution
2021-22	24.09.2022	10.00 AM	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	2 Ordinary Resolutions
2020-21	25.09.2021	10.00 AM	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	2 Ordinary Resolutions & 3 Special Resolutions

##### B. Location, date and time of EGM held during FY.2023-24 and special resolutions there at as under:

No EGM was conducted during FY. 2023-24.

#### 29. Passing of Resolutions By Postal Ballot

There were no resolutions passed by the Company through Postal Ballot during the financial year 2023-24.

#### 30. Means Of Communication:

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders which promotes management-shareholder relations. The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications.

The quarterly, half yearly and annual results of the Company's performance are published in leading newspapers such as

#### 26. Number of shares and convertible instruments held by non-executive directors:

Ms. Stuthi Reddy, Non-executive Director of the Company holds 10,00,000 fully paid-up equity shares of the Company.

#### 27. Disclosure of commodity price risks and commodity hedging activities:

Price and demand of the Company's finished products are inherently volatile and remain strongly influenced by global economic conditions. Any fluctuation in finished product prices or currency has direct impact on the Company's revenue and profits.

The Company considers exposure to commodity price fluctuations to be an integral part of our business and its usual policy is to sell its products at prevailing market prices. The Company has a well-defined policy framework wherein no speculative positions are taken and limited commodity hedging is done with endeavours to achieve month-average rates both in currency and metal prices. The Company follows the policy of taking forward cover for net foreign exposure, if the net is payable in foreign currency, with negligible exposure in non USD currencies All policies are periodically reviewed basis local and global economic environment.

Business Standard and Navatelangana. These results are also made available on the website of the Company <https://www.palred.com/investor-relations/quarterly-results/>. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

All price sensitive information and matters that are material to Members are disclosed to the respective Stock Exchanges where the securities of the Company are listed. The Quarterly Results, Shareholding Pattern and all other corporate communication to the Stock Exchanges are filed through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. The stock exchange filings are also made available on the website of the Company <https://www.palred.com>.

### 31. General shareholder information:

#### A. Annual general meeting:

The 25th Annual General Meeting of the Company will be held as per the following schedule:

<b>Day</b>	<b>Wednesday</b>
<b>Date</b>	<b>25.09.2024</b>
<b>Time</b>	<b>2.00 p.m.</b>
<b>Venue</b>	<b>Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The AGM shall be deemed to be held at Plot No.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad - 500 034.</b>

#### B. Financial Year Calendar 2024-25 (Tentative Schedule)

The financial calendar (tentative) shall be as under:

Financial Year	2024-25
First Quarterly Results	14.08.2024
Second Quarterly Results	14.11.2024
Third Quarterly Results	14.02.2025
Fourth Quarterly Results	29.05.2025
Annual General Meeting for year ending 31st March, 2025	30.09.2025

#### C. Extraordinary General Meeting

There was no Extraordinary General Meeting held during F.Y. 2023-24.

#### D. Dividend Payment Date: No Dividend was declared during the Financial Year 2023-24.

#### E. Listing on stock exchanges & address:

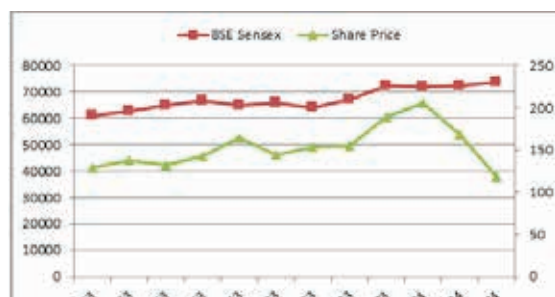
The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees for the year 2024-25 to both the Stock Exchanges.

Name of Exchanges	
NSE Limited	BSE Limited
PALREDTEC	PALRED
Address: National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	Address: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

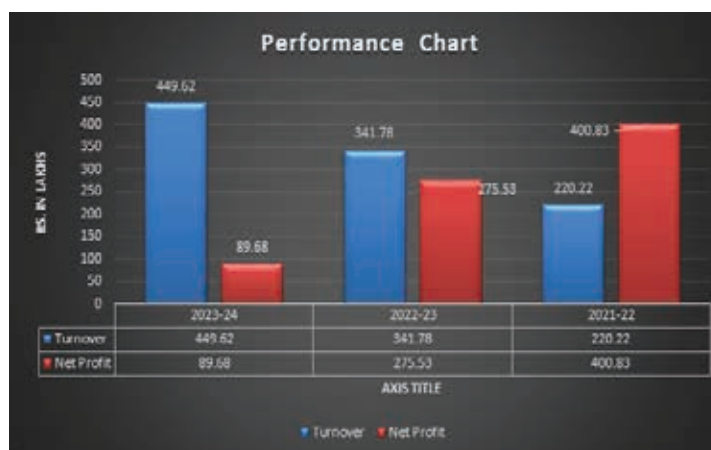
#### F. Stock Market Price Data: BSE Limited & NSE Limited:

Bombay Stock Exchange(BSE)					National Stock Exchange(NSE)			
Month	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr 23	136.2	144.05	127.05	129.3	152.00	198.00	151.00	180.55
May 23	130.15	152.25	129	137.35	179.25	179.25	111.90	129.75
Jun 23	130	142.4	130	132.15	131.00	155.95	115.15	138.00
Jul 23	134.2	159	132.6	142.8	135.15	163.40	131.00	138.30
Aug 23	143.5	184.05	142.9	164.95	140.00	145.95	126.60	136.80
Sep 23	167.25	168.9	143.3	144.55	136.80	169.50	133.30	148.10
Oct 23	144	161	139	153.1	150.95	162.05	131.10	150.40
Nov 23	153.05	174.4	148	154.6	150.00	166.95	141.25	154.15
Dec 23	156.45	197	150.15	188.75	154.15	189.00	149.05	169.05
Jan 24	190.1	229.3	175.3	205.9	172.65	194.00	163.15	179.45
Feb 24	206.55	214	157.3	168.95	176.40	179.60	136.80	144.10
Mar 24	171	177.4	116.1	118.3	144.10	148.00	121.30	136.75

#### G. Performance in comparison to Board based indices:



#### Performance in respect of company's turnover and net profit:



**H. Registrar and share transfer agents:**

M/s. KFin Technologies Limited  
 (previously known as KFin Technologies Private Limited)  
 Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli, Financial District, Serilingampally,  
 Nanakramguda, Hyderabad – 500032  
 Phone Number: 040-67162222, 33211000,  
 Website: www.kfintech.com  
 Email- einward.ris@karvy.com

**I. Share transfer system:**

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved. The share certificate(s) is/are duly transferred and dispatched within a period of 15 days from the date of receipt.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

**J. Distribution of Shareholding as on 31st March, 2024:**

CATEGORY	NUMBER OF SHAREHOLDERS	%	AMOUNT	%
1 – 5000	15680	92.58	1,27,09,190	10.39
5001 – 10000	639	3.77	50,22,340.00	4.11
10001 – 20000	330	1.95	49,15,230.00	4.02
20001 – 30000	94	0.56	23,52,900.00	1.92
30001 – 40000	36	0.21	12,94,860.00	1.06
40001 – 50000	36	0.21	16,68,400.00	1.36
50001 – 100000	67	0.40	48,55,300.00	3.97
100001 and above	54	0.32	89,50,7440.00	73.17
TOTAL	16,936	100.00	12,23,25,660	100

**K. Dematerialisation & liquidity of shares:**

Palred Shares are tradable in Electronic Form. The Company has established electronic connectivity through KFin Technologies Limited (previously known as KFin Technologies Private Limited) with both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE218G01033. As on March 31, 2024 99.92% of the shares were held in Dematerialised form and the rest in physical form.

Particulars	No. of Shares	% Share Capital
NSDL	1,00,05,876	81.80
CDSL	22,17,013	18.12
PHYSICAL	9677	0.08
Total	1,22,32,566	100.00

We request the shareholders whose shares are held in physical mode to dematerialize the shares and update their bank accounts with the depository participants..

**L. Book closure date:**

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from **Thursday, the 19th day of September, 2024 to Wednesday, the 25th day of September, 2024 (both days inclusive).**

**M. Electronic connectivity:**

Demat ISIN Number: INE218G01033

**N. National Securities Depository Limited**

Trade World, Kamala Mills Compound  
 Senapati Bapat Marg, Lower Parel  
 Mumbai – 400 013.

**O. Central Depository Services (India) Limited**

Marathon Futurex, A-Wing, 25th floor,  
 NM Joshi Marg, Lower Parel, Mumbai 400013

**P. Shareholding Pattern as on 31st March, 2024:**

Sl. No.	CATEGORY OF SHAREHOLDER	No. of shares held	Percentage of shareholding
(A)	PROMOTER AND PROMOTER GROUP		
1)	INDIAN:		
a)	Individual	36,77,080	30.06
b)	Others	--	--
	Sub-Total A(1) :	36,77,080	30.06
2)	FOREIGN:	--	--
a)	Individuals	--	--
	Sub-Total A(2) :	--	--
	Total A=A(1)+A(2)	36,77,080	30.06
(B)	PUBLIC SHAREHOLDING		
1)	INSTITUTIONS:		
a)	Financial Institutions / Banks	60	0.00
b)	Foreign Institutional Investors	4,90,000	4.01
	Sub-Total B(1) :	4,90,060	4.01



Sl. No.	CATEGORY OF SHAREHOLDER	No. of shares held	Percentage of shareholding
2)	NON-INSTITUTIONS:		
a)	Bodies Corporate	2,36,487	1.94
b)	Individuals	68,18,477	55.74
	Sub-Total B(2) :	70,54,964	57.67
(C)	OTHERS:		
1)	HUF	1,77,118	1.44
2)	EMPLOYEES	0	0
3)	CLEARING MEMBERS	350	0.00
4)	FOREIGN BODIES	2,16,948	1.77
5)	FOREIGN NATIONALS	3,05,647	2.50
6)	CORPORATE BODY - OTHERS	0	0.00
7)	NON RESIDENT INDIANS	1,60,941	1.31
8)	TRUSTS	1,49,458	1.22
	Sub-Total C:	10,10,462	8.25
	Total B=B(1)+B(2) :	75,45,024	61.68
	Total (A+B) :	1,12,22,104	91.74
	GRAND TOTAL (A+B+C):	1,22,32,566	100.00

#### Q. Disclosures:

##### A. Materially Significant Related Party Transactions

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large. The Audit Committee has issued omnibus approval for the Related party transactions within the limits. Transactions with the Related Parties as required under Ind AS are disclosed in Note No.28 of the standalone financial statements forming part of this Annual Report.

##### B. Compliances

No Penalties were imposed during the period under Report.

##### C. Whistle Blower Policy (Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

##### D. Details of compliance with mandatory requirements and adoption of the non- mandatory requirements:

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non- mandatory requirements.

##### E. Policy on Material Subsidiaries

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015 the Board of Directors of the Company has adopted a policy with regard to determination of material subsidiaries. The policy is placed on the Company's website: [www.palred.com](http://www.palred.com).

##### F. Policy on Related Party Transactions

The Policy on dealing with Related Party Transactions is available on the Company's website: [www.palred.com](http://www.palred.com)

##### G. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) etc.,

##### H. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.

##### I. Recommendations of Committees of the Board

There were no instances during the financial year 2023-24 wherein the Board had not accepted the recommendations made by any Committee of the Board.

##### J. Total fee for all services paid by the listed entity and its subsidiaries on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part;

Payment to Auditors	Amount in Rs.(INR)
Statutory Audit fees including limited review	24,00,000
Certification & other attest services	2,50,000
Non-audit services	NIL
Outlays and Taxes	NIL

##### K. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. There was on Complaints received during the financial year.

##### L. Commodity price risk and commodity hedging activities: Not Applicable

##### M. Non-compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V:

The company has complied with the requirement of Corporate Governance Report of sub-para (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

##### N. Adoption of discretionary requirements as specified in Part E of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

With regard to discretionary requirements, the Company has adopted clauses relating to the internal auditor directly reporting to the Audit Committee.

##### O. The Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and senior management	Yes
27	Other Corporate Governance requirements	Y e s . Regulation 46(2)(b) to (i) Functional Website

**P. Disclosure with respect to Demat suspense account/unclaimed suspense account**

There are no instances with respect to Demat suspense account/unclaimed suspense account.

**Q. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:**

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed

the following policies which are available on Company's website i.e. [www.palred.com](http://www.palred.com)

- Board Diversity Policy
- Policy on preservation of Documents
- Policy for Materiality.

**R. Code of Conduct**

The Board of Directors has laid down a 'Code of Conduct' (code) for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. Annual declaration is obtained from every person covered by the code.

The Company has a comprehensive Code of Conduct for prevention of insider trading in accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders and the Board has also adopted a code of practices and procedures for fair disclosure of un-published price sensitive information, in order to align the same with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

**S. Disclosure of Accounting Treatment**

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules.

**T. Non-Executive Directors' Compensation and Disclosures**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**U. CEO/ CFO Certification**

In terms of regulation 17(8) of the Listing Regulations, the CFO made a certification to the Board of Directors which has been reviewed by the Audit Committee and taken on record by the Board and enclosed as Annexure-I to this Annual Report.

For and on behalf of the Board of  
**Palred Technologies Limited**

Sd/-

**Palem Supriya Reddy**  
Managing Director  
(DIN: 00055870)

Place: Hyderabad  
Date: 30.08.2024

## Annexure-F

### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has obtained from all the Members of the Board and Senior Management Personnel affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel as required under Regulation 26(3) of the Listing Regulations for the FY 2023-24.

For and on behalf of the Board of  
**Palred Technologies Limited**

Sd/-

**Palem Supriya Reddy**  
Managing Director  
(DIN: 00055870)

Place: Hyderabad  
Date: 30.08.2024

## Annexure-G to the Director's Report

# Management Discussion & Analysis Report

## FOR THE YEAR 23-24

The Company has three subsidiaries, Palred Electronics Private limited (formerly known as Palred Online Technologies Private Limited} (PEP), Palred Technology Services Private Limited (PTS) and Palred Retail Private limited (PRP). Palred together with its subsidiaries, is hereinafter referred to as "the Group."

The Company is a Public Limited Company incorporated and domiciled in India having its registered office in Hyderabad, Telangana. The Company is listed on Bombay Stock Exchange and National Stock Exchange of India Limited.

### 1. SUBSIDIARIES:

#### Palred Electronics Private Limited (PEP)

Palred Electronics Pvt Ltd (PEP) owns Consumer Electronics brand, pTron. Bridging the gap between technology & people, pTron is a prominent brand in the Indian consumer electronics market. The company offers a wide range of affordable and innovative products, including Headphones, Speakers, Smart Wearables, Power Banks, and Cables & Chargers. With a strong commitment to quality and customer satisfaction, pTron has established itself as a key player in the value-driven segment of the market.

**Economic and Industry Overview:** The Indian consumer electronics industry faced significant headwinds in FY 2023-24 due to macroeconomic challenges. High inflation, rising input costs, and a slowdown in consumer spending, particularly on non-essential goods, were prevalent throughout the year. The audio segment, which includes headphones and speakers, saw mixed trends. According to a report by Research and Markets, the Indian audio device market is projected to grow at a CAGR of 9.4% between 2023 and 2028, driven by increasing adoption of wireless audio devices. However, the market was constrained in the short term by economic uncertainty and reduced consumer spending power.

**Performance Overview:** FY 2023-24 was a transformative year for pTron as the company expanded its manufacturing capabilities. During the year, pTron transitioned into full-fledged manufacturing processes, with 75% of the products sold being assembled at its own manufacturing facility in Nacharam, Hyderabad. This strategic move enabled the company to improve quality control, reduce costs, and better manage supply chain dynamics. Products assembled in-house include Headphones, Smart Watches, Speakers, Chargers, and Power Banks. Despite these advancements, pTron experienced a decline in overall revenue due to reduced market demand and intensified competition. However, the company saw growth in the Power Banks segment, reflecting a shift in consumer priorities towards essential and utility-driven electronics. The Speaker category also performed well, particularly in the budget segment, though overall growth was tempered by market conditions.

#### Key Financial Highlights:

- **Revenue:** The company experienced a decline in revenue by 21.05%, primarily due to subdued demand in key segments like Headphones and Smart Wearables, and intensified competition across product lines.

- **Profitability:** Consolidated net loss of Rs. 713.50 Lakhs, up from the previous year. The increased losses were largely due to lower sales volumes in key segments, high marketing costs, and ongoing price pressures.
- **Margins:** Operating margins were significantly compressed, although the growth in the Power Banks and Speaker segments provided some relief.

**Business Strategy:** pTron's strategy during FY 2023-24 focused on leveraging its new manufacturing capabilities to improve product quality and cost efficiencies. The decision to assemble 75% of its products in-house at the Nacharam facility marked a significant step forward in the company's growth strategy. This vertical integration is expected to enhance pTron's ability to respond to market demands and improve overall profitability. The company also prioritized maintaining its market presence through aggressive marketing, innovation, and selective investment in growth areas, particularly in categories showing resilience, such as Power Banks and Speakers.

#### Segment-wise Performance:

- **Headphones and Speakers:** The audio segment, traditionally a strong revenue contributor, faced a downturn due to decreased discretionary spending. A report by TechSci Research indicated that while the demand for premium audio devices remains robust, the entry and mid-level segments, where pTron primarily operates, experienced heightened price competition and slower growth. The Speaker category, however, showed resilience, contributing positively to the overall performance.
- **Smart Wearables:** This segment saw slower growth compared to previous years, as consumers became more price-sensitive and prioritized essential purchases.
- **Power Banks:** The Power Banks segment recorded growth, driven by increased demand for reliable and high-capacity charging solutions as consumers continue to rely heavily on mobile devices. The segment's growth aligns with broader industry trends noted by GMI Research, which forecasts sustained demand for portable power solutions in India.
- **Cables & Chargers:** The Cables & Chargers segment showed stable performance, largely supported by ongoing replacement demand and the increasing adoption of fast-charging technologies.

**Marketing and Promotional Activities:** pTron maintained substantial investments in marketing throughout FY 2023-24, with a focus on digital campaigns, influencer partnerships, and strategic brand collaborations. While these efforts helped sustain brand visibility, they also added significant costs, further impacting profitability. The competitive landscape, especially in the audio segment, necessitated aggressive promotional strategies to defend market share.

**Risks and Concerns:** The key risks for pTron include ongoing market saturation in the audio segment, intensified competition, and fluctuating raw material prices. Additionally, the overall



decline in consumer demand, exacerbated by economic uncertainty, poses a significant challenge. The company is also closely monitoring potential regulatory changes that could impact manufacturing costs and import duties, which could further strain margins.

**Outlook:** Looking forward, pTron anticipates a challenging but potentially rewarding path to recovery. The company aims to leverage its strengths in product innovation, enhanced manufacturing capabilities, and cost management to navigate the current market environment. The success in the Power Banks and Speaker segments provides a positive outlook, and pTron intends to replicate this success across other product categories. While the near-term outlook remains cautious, the company is committed to optimizing operations and strategically positioning itself for future growth.

**Conclusion:** FY 2023-24 was a year of significant transformation for pTron, marked by the expansion of its manufacturing capabilities and the transition to in-house assembly of key products. Despite revenue degrowth and increased losses due to market challenges, the company's investments in manufacturing, coupled with strong performance in the Power Banks and Speaker segments, provide a solid foundation for future growth. pTron remains focused on adapting to changing market dynamics, enhancing profitability, and exploring new opportunities in an increasingly competitive landscape.

#### Palred Technology Services Private Limited (PTS)

PTS offers a bouquet of Products through its brand "Xmate" that is exclusively available on Amazon.in. Xmate Sells products like Bluetooth headsets, Bluetooth speakers, wired headsets, chargers and cables, Computer Accessories, Cameras & Camera Accessories etc. The brand faced many challenges since inception because of high advertisement costs and competition from other big brands. The Company was not able to achieve desired growth and it continues to make losses. Hence, the Company has decided to exit "Xmate" brand business.

#### Palred Retail Private Limited (PRP)

Palred Retail Private Limited owns ecommerce website, ptron.in and www.LatestOne.com that specialize in selling of tech and mobile accessories such as Bluetooth speakers and headsets, cables, power banks, headsets, smart watches, fashion accessories etc.

### FINANCIAL PERFORMANCE:

#### A. Sources of Funds

##### 1. Equity Share Capital

As on 31st March 2024, the Company has only one class of issued shares – Equity Shares of Par value of Rs. 10/- per share. The Authorised Capital of the Company is Rs. 35,00,00,000/- (Thirty Five Crores) divided into (a) 2,80,38,800 (Two Crore Eighty Lacs Thirty Eight Thousand Eight Hundred Only) shares of Rs. 10/- (Rupees Ten Only) each and (b) 6,96,120 (Six Lakhs Ninety Six Thousand One Hundred and Twenty) Preference Shares of Rs.100/- each. The Paid up Equity Share Capital of the Company as on date of this report is Rs. 12,23,25,660 (Twelve Crores Twenty Three Lakhs Twenty Five Thousand Six Hundred and Sixty) divided into 1,22,32,566 Equity Share of Rs. 10/- per share.

### 2. Other Equity:

#### 2.1. Securities Premium Account:

The balance in Securities Premium Account as on March 31, 2024 was Rs. 9670.30 Lakhs as compared to the balance in Securities Premium Account as on March 31, 2023 was Rs. 9670.30Lakhs.

#### 2.2. Capital reserve:

On a Standalone and Consolidated Basis, the Balance as at March 31, 2024, amounted to Rs. 142.80 Lakhs which was the same as previous year.

#### 2.3. General Reserve:

On a Standalone and Consolidated Basis, the balance as at March 31, 2024 stood at Rs. 1325.24 Lakhs which is the same as previous year.

#### 2.4. Retained Earnings:

On a Standalone Basis, the balance as at March 31, 2023 stood at Rs. (5800.52) as compared to Rs. (5890.83) Lakhs in previous year, and Consolidated Basis, the balance as at March 31, 2024 stood at Rs. (6732.91) as compared to Rs. (6385.12) as Lakhs in previous year.

### 3. Liabilities:

#### 3.1. Non-current Liabilities:

Particulars	Standalone		Consolidated	
	2024	2023	2024	2023
Other Financial liabilities	0	0	0	0
Employee benefit obligations	9.63	8.10	58.50	45.24
<b>Total</b>	<b>9.63</b>	<b>8.10</b>	<b>58.50</b>	<b>45.24</b>

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 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionally for 15 days salary multiplied for the number of the years of service. The gratuity plan is unfunded.

#### 3.2. Current Liabilities:

Particulars	Standalone		Consolidated	
	2024	2023	2024	2023
Financial Liabilities				
Borrowings	0	0	6,340.30	5491.52
Lease Liabilities	4.65	4.29	68.70	54.98
Trade payables	0	0	01.51	22.05
Other Financial liabilities	67.95	53.52	541.58	691.99
Other Current liabilities	2.64	2.77	26.66	26.15
Employee benefit obligations	0.32	0.26	1.33	1.07
<b>Total Current Liabilities</b>	<b>85.78</b>	<b>76.06</b>	<b>6,980.08</b>	<b>6287.76</b>

On standalone basis, the Company has increased its total current liabilities to Rs. 85.78 Lakhs stood as on 31st March, 2024 as compared to Rs. 76.06 Lakhs in the previous year.

On consolidated basis, the Company has increased its total current liabilities to Rs. 6980.08 Lakhs stood as on 31st March, 2024 as compared to Rs. 6287.78 Lakhs in the previous year.

**B. Application of Funds:****1. Non- Current Assets:**

Particulars	Standalone		Consolidated	
	2024	2023	2024	2023
Property plant & Equipment	2.60	4.03	145.32	170.75
Right of use of Assets	17.74	22.47	259.20	516.35
Goodwill (Consolidation)	0	0	0	0
Intangible Assets	0	0	3.25	4.71
Financial Assets Investments Deposits	1100.00	1300.65	60.70	65.70
Other non- current assets	359.60	310.90	434.32	386.73
Total Non-Current Assets	1479.94	1638.05	902.79	1144.24

**Investments in Subsidiaries/ associates****Palred Electronics Private Limited (formerly known as Palred Online Technologies Private Limited):**

During the period under report, the Company has not invested in Palred Electronics Private Limited.

The Company holds 78.17% stake in the said subsidiary.

**Palred Technology Services Private Limited:**

During the period under report, the Company has not invested in Palred Technology Services Private Limited.

The Company holds 100% stake in the said subsidiary.

**Palred Retail Private Limited:**

During the period under report, the Company has not invested in Palred Retail Private Limited.

The Company holds 83.71% stake in the said subsidiary.

**2. Current Investments, Cash and Cash Equivalents:**

On a standalone basis, balance in current investments is Rs. NIL Lakhs as at March 31, 2024 and March 31, 2023. The cash and bank balance stand at Rs. 5174.26 Lakhs as at March 31, 2024 as compared to Rs. 4801.44 Lakhs as at March 31, 2023.

On a consolidated basis, balance in current investments is Rs. NIL Lakhs as at March 31, 2024 and March 31, 2023. The cash and bank balance stand at Rs. 5249.52 Lakhs as at March 31, 2024 as compared to Rs. 4842.22 Lakhs as at March 31, 2023.

**III. RESULTS OF OUR OPERATIONS:****1. Income:**

On standalone basis, the Company has earned Rs. 150.00 Lakhs as Income from Operations & Rs. 299.62 Lakhs as Other Income from Dividend and interest from non-trade investments.

On a Consolidated basis, the Company has earned revenues of Rs. 11,598.70 Lakhs from operations and Rs. 14802.01 Lakhs from other income sources.

As on date of this report, the Company did not invest anything in Palred Electronics Private Limited, Palred Retail Private Limited & Palred Technology Services Private Limited. The Investment in Subsidiaries has Net carrying Value Rs. 1100.00 Lakhs as on date.

Palred Electronics Private Limited (formerly known as Palred Online Technologies Private Limited) has earned a total revenue of Rs. 11,736.41 Lakhs in FY 2023-24 as compared to Rs. 14864.95

Lakhs in FY 2022-23 resulting in 21.05% decrease in net revenue year on year basis.

Palred Technology Services Private Limited has earned a total Revenue of Rs. 6.76 as compared to Rs. 6.76 Lakhs in FY 2023-24 resulting in 6.36% increase in net revenue year on year basis.

Palred Retail Private Limited has earned a total Revenue of Rs. 2.71 Lakhs in FY. 2023-24 as compared to Rs. 10.08 Lakhs in FY 2022-23 resulting in to reduction of 73.12% in Net Revenue.

Thus on a consolidated basis, the total revenue of the Company is Rs. 12,044.33 Lakhs compared to Rs. 15,069.03 Lakhs in previous year.

**2. Expenditure:**

On a Standalone Basis, the expenditure incurred towards employee benefit expenses is Rs. 79.67 Lakhs as against Rs. 101.44 Lakhs of previous year and Other Expenses are Rs. 81.03 Lakhs as against Rs. 100.07 Lakhs of previous year.

On a Consolidated Basis, the Total Expenditure is Rs. 12,554.03 Lakhs as against Rs. 15,113.88 Lakhs of previous year.

**3. Operating Profit:**

On a standalone basis, the company has earned operating profit of Rs.90.30 Lakhs as against profit of Rs. 275.53 lakhs in previous year.

On a Consolidated Basis, the company has incurred operating loss of Rs. (509.70) Lakhs as compared to Loss of Rs. (44.85) Lakhs of previous Year.

**4. Depreciation and Amortisation:**

On a standalone basis, we provided Rs. 6.16 Lakhs and Rs. 6.02 Lakhs for the years ended March 31, 2024 and March 31, 2023 respectively.

On a consolidated basis, we provided Rs. 165.63 Lakhs and Rs. 106.26 Lakhs for the years ended March 31, 2024 and March 31, 2023 respectively.

**5. Net Profit/Loss after tax:**

On a standalone basis, the company has earned net profit of Rs. 89.68 Lakhs as against Profit of 275.68 lakhs in previous year. On a Consolidated Basis, the company has incurred net loss of Rs. (513.36) Lakhs as compared to loss of Rs. (36.58) Lakhs of previous Year.

**6. Liquidity:**

On a standalone basis, the company has operations in F.Y. 2023-24. The Company has utilized Rs. (66.41) Lakhs from investing activities during 2023-2024 compared to generation of Rs. (2235.69) Lakhs during 2022-2023. The Company has also gained Rs.79.20 Lakhs from operating activities during 2023-2024 compared to Rs. (154.18) Lakhs utilized during 2022-2023.

On a Consolidated Basis, the net cash used in operations is Rs. (242.86) Lakhs as against (1832.28) Lakhs net cash used in previous Year.

**7. Related Party Transactions:**

These have been discussed in detail in notes to the standalone Financial Statements in Annual report.

**8. Events occurring after Balance Sheet Date- NIL**

#### **IV. STRATEGY, OUTLOOK, OPPORTUNITIES AND THREATS:**

##### **A. Objective and Strategy:**

Palred Group aims to become a market leader in various products of Consumer Electronics business in India. The Company aims to achieve this unique position by combination of following factors:

- i. Creation of Innovative Products that are geared towards customer needs and that can be produced economically
- ii. Focus on enhancing customer benefit in terms of products and services as well as on close consumer contact
- iii. Proactive identification of future needs and technical applications
- iv. High value addition through combination of technology, systems & processes
- v. Simplification of a complex business involving continuously changing products and thousands of stock keeping units (SKU)/items.
- vi. End-to-end integration and implementation of Systems, Processes and Automation for efficient and scalable operations.
- vii. High quality Products backed by warranty
- viii. Steady and continuous development of brand (PTron)

##### **b. Outlook, Risks and Concerns:**

The Consumer Products Industry has been experiencing very intense competition for many years and we are operating in a market that is changing very quickly. The Customers have many options to choose from large and established brands and this may result in loss of our market share affecting the profitability. We are dependent on number of contract manufacturers and component suppliers. There may be a situation where these manufacturers and component suppliers may fail to supply the required products / parts which may adversely impact our cash flows and profitability. We are also subject to risks associated with geographical tensions & foreign exchange fluctuations. The Company is taking all appropriate measures to mitigate and safeguard the Company from above risks.

##### **B. Intellectual Property Infringement:**

As product development depends on the intellectual property created by its employees, we need to ensure that the same do not infringe any other proprietary technology rights. We have intellectual property rights to take care of trade secrets, copyright and trademark laws and confidentiality agreements for our employees, third parties offering only limited protection. The steps taken by us as well as laws of most advanced countries do not offer effective protection of intellectual property rights. Third parties could claim infringement of property rights against the Company or also assert the same against our customers, which would require protracted defence and costly litigations on behalf of our customers.

##### **C. Risks and risk management and their implementation:**

The systematic analysis, evaluation and management of potential risks are decentralized within the Palred Group. Every organizational unit is responsible for detailing its own risk register, which it must then use to establish countermeasures for managing risks. The purpose is to identify and avert potential damage to the company at an early stage. All registers are centrally coordinated and aggregated so the Management Team has an overview at all times of the most significant risks and the measures being taken to manage them. Within the scope of independent audits, the

Audit Department monitors the individual corporate entities with regard to early risk identification and compliance management by performing random inspections. The Management Team is informed directly and immediately of the findings.

The risks of procuring certain parts and components, product compliance and IT security are among the most important issues for which the Palred Group is taking countermeasures. IT security risks are addressed through technical and organizational measures. Effective customer management minimize the impact of potential defaults on receivables.

##### **Financial Performance**

Prudent Financial Planning, effective resource allocation and tight financial control have ensured that the cash flows of the Company remain healthy. The ability of the Company to raise credit remains unimpaired.

#### **V. INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

The Company has adopted strong and automated internal business controls and a process framework that is not only adequate for its current size of operations but can effectively support increases in growth and complexity across our business operations. A well established and empowered system of internal financial audits and automated control procedures ensures prudent financial control, flexibility in terms of process changes to enable course correction.

Internal auditors submits reports and updates to the audit committee of the Board, which conducts frequent reviews and provides direction and operational guidance on new processes to be implemented to further enhance efficiencies within the Company.

The Company is in the process of implementing Enterprise Resource Planning along with various business controls which would have automatic internal control systems to identify errors and also provide better MIS.

#### **VI. HUMAN RESOURCES:**

##### **A. Objective and Strategy:**

Capability building, Talent Management and Employee Engagement remain the key focus of your company's Human Resource Strategy. Your Company has continued to build on its capabilities in getting the right talent to support the different technology areas. They are backed by robust management training schemes, hiring of key management personnel, and sales training.

Human Resources are the most valuable asset for the Company and Palred Technologies continues to seek, retain and enrich the best available talent. The Human Resource plays an important role in the growth and success of the Organization. Your Company has maintained cordial and harmonious relations with all the employees.

The Company provides an environment which encourages initiative, innovative thinking and rewards performance. The Company ensures training and development of its personnel through succession planning, job rotation, on-the-job training and various trainings and workshops.

##### **B. Culture, Values and Leadership**

Your Company has a written code of conduct and ethics to make employees aware of ethical requirements and Whistle Blower Policy for reporting violations, if any.

Your Company has internal structured succession planning to take care of loss of any member of senior management or other key management personnel. Since inception your Company is committed to developing next generation leaders and conduct personality development and development work of skills acquired by them over the years. Your Company encourages an "Equal Employment Opportunity Policy" which discourages discrimination for employment on account of sex, race, colour, religion, physical challenge and so on.

As the Company operates in a niche industry that requires high techno functional expertise. The employees constantly need to enhance their technical and functional knowledge and so regular training sessions on specific technical skills and domain knowledge were conducted.

#### VII. CAUTIONARY STATEMENT:

Statements in the "Management Discussion and Analysis" describing the company's objectives, estimates, expectations or projections may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations; include Government regulations, patent laws, tax regimes, economic developments within India and countries in which the Company conducts business, litigation and other allied factors.

#### VIII. DETAILS OF SIGNIFICANT CHANGES (I.E., CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN THE KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREOF:

Particulars	Standalone basis		Remarks
	2023-24	2022-23	
Debtors Turnover Ratio	0	0	There are no trade receivables as at the balance sheet date.
Inventory Turnover Ratio	0	0	There is no Inventory
Interest Coverage Ratio	0	0	There is no Finance Cost.
Current Ratio	68.53	80.84	There is a decrease in Current Ratio due to increase in Current Liabilities as compared to last year.
Debt Equity Ratio	-	0	
Operating Profit Margin Ratio	0.65	0.51	There is an increase in Operating Profit Margin Ratio due to increase in Other Income as compared to previous year which leads to increase in Profit.
Net Profit Margin Ratio	0.60	1.83	There is no reversal of impairment of Non-Current Assets in current year which leads to decrease in Net Profit.

Particulars	Consolidated basis		Remarks
	2023-24	2022-23	
Debtors Turnover Ratio	4.10	6.83	There is a decrease in sales during current year
Inventory Turnover Ratio	3.55	5.75	Decrease in Inventory at year end leads to Improvement in the ratio.
Interest Coverage Ratio	0.20	0.90	Difference due to increase in Finance Cost during the year.
Current Ratio	1.72	1.89	There is no much change as compare to previous year.
Debt Equity Ratio	1.13	0.92	There is a change as Debt has increased
Operating Profit Margin Ratio	0.01	(0.03)	Decrease in Ratio due to increase in Loss.
Net Profit Margin Ratio	(0.04)	(0.03)	Decrease in profit and sales as compared to previous year

#### Return on Net Worth:

Particulars	Standalone basis		Consolidated Basis	
	2023-24	2022-23	2023-24	2022-23
Return on Net Worth	1.38	0.04	(0.09)	(0.01)

There is a decrease in Return in Return on Net Worth ratio as the profit has been reduced in FY.2023-24

#### IX. DISCLOSURE OF ACCOUNTING TREATMENT:

During the preparation of Financial Statement of FY. 2023-24 the treatment as prescribed in an Accounting Standard has been followed by the Company. There is no discrepancy in Accounting Treatment as followed by the Company in current financial year as compared to previous financial year.



# Annexures-H

## Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors  
Palred Technologies Limited  
H. No. 8-2-703/2/b, Plot.No.2  
Road.No.12, Banjara Hills,  
Hyderabad, Telangana-500034

I have examined the relevant registers, records, forms, returns and disclosures received from Palred Technologies Limited having CIN L72200TG1999PLC033131 and having registered office at Plot No 2, 8-2-703/2/B, Road No 12, Banjara Hills, Hyderabad, Andhra Pradesh, Hyderabad, Telangana, 500034 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31st, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No	DIN No	Name of the Director	Designation
1.	00055870	Mrs. Palem Supriya Reddy	Chairperson & Managing Director
2.	00001401	Mr. Srikar Reddy	Non-Executive Director
3.	07072774	Ms. Stuthi Reddy	Non-Executive Director
4.	03089889	Mr. S. Vijaya Saradhi	Independent Director
5.	07185499	Mr. Atul Sharma	Independent Director
6.	08792778	Ms. Aakanksha	Independent Director

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**Mr. Vivek Surana**  
Practicing Company Secretary  
C.P.No. 12901

Place: Hyderabad  
Date: 30.08.2024  
UDIN: A024531F001082071

## Annexures-I

### COMPLIANCE CERTIFICATE PURSUANT TO REGULATION 17(8) OF SEBI LODR, 2015

To  
The Board of Directors  
Palred Technologies Limited

We, Palem Supriya Reddy, Chairperson & Managing Director and P. Harish Naidu, Chief Financial Officer of Palred Technologies Limited ("Company") to the best of our knowledge and belief certify that:

1. We have reviewed standalone as well as consolidated financial statements and the cash flow statement of the Company for the quarter/year ended 31st March, 2024 and to the best of their knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
  - a. There have not been any significant changes in internal control over financial reporting during the year;
  - b. There have not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. There have not been any instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**P. Supriya Reddy**  
Chairperson & MD

Sd/-  
**P. Harish Naidu**  
Chief Financial Officer (CFO)

Place: Hyderabad  
Date: 27.05.2024

## Annexures-J to the Director's Report

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**Palred Technologies Limited**  
Hyderabad

I have examined the compliance of conditions of Corporate Governance by Palred Technologies Limited ('the Company'), for the Financial Year ended 31st March 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

**Mr. Vivek Surana**  
Practicing Company Secretary  
C,P.No. 12901

Place: Hyderabad  
Date: 30.08.2024  
UDIN: A024531F001082093

## Annexures-K to the Director's Report

### DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s. Palred Technologies Limited

Dear Sir,

**Sub: Declaration under sub-section (6) of section 149 of the Companies Act 2013 and Regulation 16 (1)(b) of SEBI (LODR) Regulations, 2015:**

I, S. Vijaya Saradhi, hereby declare that I am an Independent Director of Palred Technologies Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship /transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
  - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
  - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iii. as given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
  - v. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Neither me nor my relatives :
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - iii. holds together with my relatives 2% or more of the total voting power of the company; or.
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
6. I am not below the age of 21 Years.
7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director. and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Yours Faithfully,  
Sd/-

**S. Vijaya Saradhi**  
(Independent director)

Place: Hyderabad  
Date: 27.05.2024



## DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s. Palred Technologies Limited

Dear Sir,

**Sub: Declaration under sub-section (6) of section 149 of the Companies Act 2013 and Regulation 16 (1)(b) of SEBI (LODR) Regulations, 2015:**

I, Atul Sharma, hereby declare that I am an Independent Director of Palred Technologies Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship /transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
  - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
  - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iii. as given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
  - v. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Neither me nor my relatives :
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - iii. holds together with my relatives 2% or more of the total voting power of the company; or
  - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
6. I am not below the age of 21 Years.
7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director. and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Yours Faithfully,  
Sd/-

**Atul Sharma**  
(Independent director)

Place: Hyderabad  
Date: 27.05.2024

## DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors  
M/s. Palred Technologies Limited

Dear Sir,

**Sub: Declaration under sub-section (6) of section 149 of the Companies Act 2013 and Regulation 16 (1)(b) of SEBI (LODR) Regulations, 2015:**

I, Aakanksha, hereby declare that I am an Independent Director of Palred Technologies Limited and comply with all the criteria of Independent Director envisaged under Sub-section (6) of Section 149 read with IV of the Companies Act, 2013 and Sub-Regulation (b) of Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. I further certify that:

1. I am/was not a promoter of the company or its holding, subsidiary or associate company;
2. I am/was not related to promoters or directors in the company, its holding, subsidiary or associate company.
3. Apart from receiving director sitting fees/remuneration, I have/had no material pecuniary relationship /transactions, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
4. None of my relatives
  - i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
  - ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iii. as given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
  - iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
  - v. has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
5. Neither me nor my relatives :
  - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. is or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - iii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of (a) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (b) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - iv. holds together with my relatives 2% or more of the total voting power of the company; or
  - v. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
6. I am not below the age of 21 Years.
7. I am not material supplier, service provider or customer or a lessor or lessee of the Listed Entity.
8. I am not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director and I meet the criteria of independence as per the provisions of the Companies Act, 2013.

Yours Faithfully,  
Sd/-

**Aakanksha**  
(Independent director)

Place: Hyderabad  
Date: 27.05.2024

# Annexures-L

## FORM MR-3 SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**

To  
The Members of  
M/s. Palred Electronics Private Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Palred Electronics Private Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2023 and ended 31st March, 2024, complied with the statutory provisions and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Palred Electronics Private Limited ("The Company") for the financial year ended on 31st March, 2024, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Depositories Act, 1996 and the Regulations and Byelaws framed there under.
3. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
4. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
5. The Management has identified and confirmed the following laws as being specifically applicable to the Company:
  - The Code on Social Security, 2020
  - The Occupational Safety, Health and Working Conditions Code, 2020
  - The Code on Wages, 2019
  - Shops and Establishments Act, 1948
  - Clearance from Various Local Authorities.
  - Information Technology Act, 2000 and the rules made thereunder.
  - Software Technology Parks of India rules and regulations.

6. I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that:-

- a. Company has a Managing Director namely Mr. Ameen Ashik Khwaja.
- b. The company has Company Secretary namely Mrs. Shruti Mangesh Rege

I further report that-

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the review of the compliance/certificates of the Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

Sd/-

**Mr. Vivek Surana**

Practicing Company Secretary  
C. P. No: 12901

Place: Hyderabad  
Date: 30.08.2024  
UDIN: A024531F001082104

To  
The Members of  
Palred Electronics Private Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Sd/-

**Mr. Vivek Surana**

Practicing Company Secretary

C. P. No: 12901

Place: Hyderabad

Date: 30.08.2024

UDIN: A024531F001082104



## FORM MR-3 SECRETARIAL AUDIT REPORT

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

To  
The Members of  
M/s. Palred Technologies Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Palred Technologies Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2023 and ended 31st March, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Palred Technologies Limited ("The Company") for the financial year ended on 31st March, 2024, according to the provisions of:
  - a. The Companies Act, 2013 (the Act) and the rules made there under;
  - b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - c. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
  - d. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') is furnished hereunder for the financial year 2023-24: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., [www.palred.com](http://www.palred.com)
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

- Not Applicable as there was no reportable event during the financial year under review;
  - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not Applicable as the Company has not issued any debt securities during the year under review.
  - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.
  - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. I have also examined compliance with the applicable clauses of the following:
    - a. Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.
    - b. Securities and Exchange Board of India Act, 1992 & Circulars, Master Circulars and Regulations issued by SEBI and applicable to the Company.
    - c. Listing Agreements entered into by the Company with BSE Limited.
  4. The Management has identified and confirmed the following laws as being specifically applicable to the Company:
    - The Code on Social Security, 2020
    - The Occupational Safety, Health and Working Conditions Code, 2020
    - The Code on Wages, 2019
    - Shops and Establishments Act, 1948
    - Clearance from Various Local Authorities.
    - Information Technology Act, 2000 and the rules made thereunder.

- Software Technology Parks of India rules and regulations.
- 5. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.
- 6. As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
  - a. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ ADRs or any Commercial Instrument under the financial year under report.
  - b. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
    - External Commercial Borrowings were not attracted to the Company under the financial year under report;
    - Foreign Direct Investment (FDI) was compiled by the company under the financial year under report;
    - Overseas Direct Investment by Residents in Joint Venture/ Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

We further report that:-

- The Company has Chairperson & Managing Director Namely, Mrs. Palem Supriya Reddy.
- The company has a Company Secretary namely Ms. Shruti Mangesh Rege.
- The Company has the internal auditors namely M/s. Seshachalam & Co., Chartered Accountants, Hyderabad.
- The company has a chief financial officer namely Mr.P.Harish Naidu,

- 7. During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above including the following:
  - a. During the year the Company has conducted 8 meetings of the Board of Directors, 6 Meetings of Audit Committee meeting, 2 Nomination and Remuneration Committee Meetings, 4 meeting of Stakeholders and Relationship Committee Meeting and 1 meeting of Independent Directors Committee Meeting.
  - b. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - c. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
  - d. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
  - e. I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. other than those already disclosed to Stock Exchange i.e., BSE.
  - f. I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

**Mr. Vivek Surana**

Practicing Company Secretary

C. P. No: 12901

Place: Hyderabad

Date: 30.08.2024

UDIN: A024531F001082051

## Annexure- A to Secretarial Audit Report

To  
The Members of  
Palred Technologies Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad  
Date: 30.08.2024  
UDIN: A024531F001082051

Sd/-  
**Vivek Surana**  
Practicing Company Secretary  
C. P. No: 12901

# STANDALONE FINANCIAL STATEMENTS



# Independent Auditor's Report

To the Members of **Plared Technologies Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Palred Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit/loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p><b>Impairment on Investments in Equity Shares of Subsidiaries:</b> (Refer to the disclosures related to Investments in Note 5 of the standalone financial statements.)</p> <p>Investments in equity shares of subsidiaries are accounted for at cost less accumulated impairment in accordance with Ind AS 27, Separate Financial Statements.</p> <p>The company had made investment in three subsidiaries, out of which investment in two of the subsidiaries, Palred Retail Private Limited and Palred Technology Services Private Limited. The management has fully impaired the carrying value of investment in these two subsidiaries in earlier years.</p> <p>Further, investment in one of the third subsidiary (Palred Electronics Private Limited) amounts to Rs. 4,453.00 lakhs and has a carrying value of Rs. 1,300.65 lakhs as on March 31, 2024. Based on the net worth and turnover of the Palred Electronics Pvt Ltd, management has during the current year provided the impairment amount of Rs 200.65 lakhs. At the year end, management of the company has performed the testing of impairment in relation to such investment as per the requirements of Ind AS 36 "Impairment of Assets" by obtaining valuation report from an independent registered valuer.</p> <p>The Company assesses the recoverable amount of the investment when impairment indicators exist, by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date. The process for measuring and recognizing impairment loss is complex and requires management judgement. The key assumptions underlying management's assessment of valuation include, but are not limited to, estimation of recoverable amounts of the recognized assets and liabilities, revenue projections and market valuation of the company.</p> <p>Considering the materiality, complexity, significance of the management judgement involved and the estimation uncertainty in assessing impairment on these investments, this has been considered to be a key audit matter.</p>	<p><b>Our audit procedures in respect of this area included:</b></p> <ol style="list-style-type: none"> <li>1. Assessed whether the Company's accounting policies relating to the impairment of equity investments in subsidiaries are in compliance with IND AS 36 - Impairment of Assets.</li> <li>2. Obtained an understanding and assessed management's process and controls w.r.t impairment assessment.</li> <li>3. Evaluated and tested the design and the operating effectiveness of the controls over the impairment assessment.</li> <li>4. Obtained the Valuation report of Palred Electronics Private Limited as at March 31, 2024.</li> <li>5. Evaluated the competence and objectivity of the valuation specialist engaged by the management.</li> <li>6. Involved the Internal experts with specialised skills and knowledge to assist in evaluating the valuation model used and the underlying assumptions including the computations performed to arrive at the fair valuation.</li> <li>7. Verified the Company's valuation methodology, assumptions and arithmetical accuracy for determining the fair value of the investment as obtained from the management assessment.</li> <li>8. Verified arithmetical accuracy of the computation by comparing the pro-rata share of net assets of each of the subsidiaries to the investment held by the Company to consider reversal of impairment.</li> <li>9. Evaluated the reasonableness of the future revenue and margins, the historical accuracy of the Company's estimates and its ability to produce accurate long-term forecasts.</li> <li>10. Evaluated the appropriateness of the disclosures made in the financial statement in relation to such investments and impairment thereon as required by applicable accounting standards.</li> </ol>

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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 except for the matters stated in the paragraph 2(h)(vii) below on reporting under Rule 11(g).
  - (c) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vii) below on reporting under Rule 11(g).
  - (d) 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.
  - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (f) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (h) 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 litigations 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.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall,

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- vi. The company has neither declared nor paid any dividend during the year.
- vii. Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year

- 3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Mukesh Kumar Pugalia**

Partner

Membership No. 221387

UDIN: 24221387BKELXU3635

Place: Hyderabad  
Date: May 27, 2024

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

### **Auditor's Responsibilities for the Audit of the Standalone financial Statements**

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

#### **Mukesh Kumar Pugalia**

Partner

Membership No. 221387

UDIN: 24221387BKELXU3635

Place: Hyderabad  
Date: May 27, 2024



## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PALRED TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2024.

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

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
B. The Company has maintained proper records showing full particulars of intangible assets.  
(b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.  
(c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.  
(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.  
(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services. Accordingly, the provisions stated in paragraph 3(ii) (a) of the Order are not applicable to the Company.  
(b) The Company has not been sanctioned any working capital limits during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. According to the information explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 of the Act, the rules framed thereunder and the Circulars, notifications issued from time to time with regard to the deposits accepted. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.
- 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, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities in all cases during the year.  
(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues relating to goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company
- ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (c) and sub-Clause (e) and (f)) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.  
(c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.  
(d) According to the information and explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.  
(e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, reporting under the Clause 3(ix) (f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x) (a) of the Order are not applicable to the Company.
- (b) 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, partly, or optionally convertible debentures during the year. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our 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 report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) Based on our 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) 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 standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of Section 192 of the Act are not applicable to Company.
- xvi. (a) 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 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act, are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Mukesh Kumar Pugalila**

Partner

Membership No. 221387

UDIN: 24221387BKELXU3635

Place: Hyderabad

Date: May 27, 2024

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

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Palred Technologies Limited on the Financial Statements for the year ended March 31, 2024.

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

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Palred Technologies Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control

based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

#### Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

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

#### For M S K A & Associates

Chartered Accountants  
ICAI Firm Registration No. 105047W

#### Mukesh Kumar Pugalia

Partner  
Membership No. 221387  
UDIN: 24221387BKELXU3635

Place: Hyderabad  
Date: May 27, 2024

# Standalone Balance Sheet as at 31 March 2024

(All amounts are in Rs. Lakhs except share data or unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	2.60	4.03
(b) Right-of-use-assets	4 (a)	17.74	22.47
(c) Financial assets			
Investments	5	1,100.00	1,300.65
(d) Other non-current assets	6	359.60	310.90
<b>Total non-current assets</b>		<b>1,479.94</b>	<b>1,638.05</b>
<b>2. Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	7	12.75	5.96
(ii) Bank balances other than cash and cash equivalents	8	5,161.51	4,795.48
(iii) Other financial assets	9	-	116.59
(b) Other current assets	10	3.57	0.39
Total current assets		5,177.83	4,918.42
<b>Total assets</b>		<b>6,657.77</b>	<b>6,556.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	11	1,223.26	1,223.26
(b) Other equity	12	5,334.45	5,244.76
<b>Total equity</b>		<b>6,557.71</b>	<b>6,468.02</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Lease liabilities	4 (b)	14.87	19.51
(b) Provisions	13	9.63	8.10
<b>Total non-current liabilities</b>		<b>24.50</b>	<b>27.61</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	4 (b)	4.65	4.29
(ii) Other financial liabilities	14	67.95	53.52
(b) Other current liabilities	15	2.64	2.77
(c) Provisions	13	0.32	0.26
<b>Total current liabilities</b>		<b>75.56</b>	<b>60.84</b>
Total liabilities		100.06	88.45
<b>Total equity and liabilities</b>		<b>6,657.77</b>	<b>6,556.47</b>
See accompanying notes to the financial statements	1-2		

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

**Mukesh Kumar Pugalía**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523



# Standalone Statement of Profit and Loss

## for the year ended 31 March 2024

(All amounts are in Rs. Lakhs except share data or unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I. Revenue from operations	16	150.00	150.00
II. Other income	17	299.62	191.78
<b>III. Total income (I+II)</b>		<b>449.62</b>	<b>341.78</b>
<b>IV. Expenses</b>			
Employee benefits expense	18	71.66	79.67
Finance costs	19	1.71	2.04
Depreciation and amortization expense	20	6.16	6.02
Other expenses	21	79.14	81.03
<b>Total expenses (IV)</b>		<b>158.67</b>	<b>168.76</b>
<b>V. Profit /(Loss) before exceptional item and tax (III - IV)</b>		<b>290.95</b>	<b>173.02</b>
VI. Exceptional item	22	(200.65)	102.51
<b>VII. Profit /(Loss) before tax (V- VI)</b>		<b>90.30</b>	<b>275.53</b>
<b>VIII. Tax Expense</b>			
a) Current tax		-	-
b) Deferred tax charge/(benefit)		-	-
<b>Total tax expense (VIII)</b>		<b>-</b>	<b>-</b>
<b>IX. Profit /(Loss) for the year (VII-VIII)</b>		<b>90.30</b>	<b>275.53</b>
<b>X. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit and loss			
Remeasurement of net defined benefit liability	27	(0.62)	0.15
<b>Other comprehensive income for the year, net of tax</b>		<b>(0.62)</b>	<b>0.15</b>
<b>XI. Total comprehensive income for the year (IX+X)</b>		<b>89.68</b>	<b>275.68</b>
<b>XII. Earnings per equity share</b>			
(i) Basic earnings per equity share	23	0.74	2.51
(ii) Diluted earnings per equity share	23	0.74	2.51
See accompanying notes to the financial statements	1-2		

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

**Mukesh Kumar Pugalia**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523

# Statement of standalone Cash Flows

## for the year ended 31 March 2024

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Net Profit/(Loss) before tax as per statement of profit and loss	90.30	275.53
Adjustments for:		
Interest income	(299.62)	(191.78)
Finance costs	1.71	2.04
Impairment towards investment in subsidiaries	200.65	(102.51)
Depreciation and amortisation expense	6.16	6.02
<b>Operating Profits/ (Loss) before working capital changes</b>	<b>(0.80)</b>	<b>(10.70)</b>
Adjustments for working capital changes in:		
Changes in other financial assets	116.61	(105.41)
Changes in other non current assets	(3.74)	-
Changes in other current assets	(3.18)	0.27
Changes in non-current and other financial liabilities	14.43	3.96
Changes in other current liabilities	(0.13)	(0.21)
Changes in provisions	0.97	(6.79)
<b>Cash flow generated from operating activities</b>	<b>124.16</b>	<b>(118.88)</b>
Income tax paid (net of refunds)	(44.96)	(35.30)
<b>Net cash flows generated from/(used in) operating activities (A)</b>	<b>79.20</b>	<b>(154.18)</b>
<b>B. Cash flow from Investing activities</b>		
Investment in fixed deposits	(366.03)	(2,427.47)
Interest income received (reinvested in fixed deposits)	299.62	191.78
<b>Net cash flows generated from/(used in) investing activities (B)</b>	<b>(66.41)</b>	<b>(2,235.69)</b>
<b>C. Cash flow from Financing activities</b>		
Money received against share warrants	-	2,400.00
Payment of Interest Portion of Lease liabilities	(1.71)	(2.04)
Payment of Principal Portion of Lease liabilities	(4.29)	(3.96)
<b>Net cash flows generated from/(used in) financing activities (C)</b>	<b>(6.00)</b>	<b>2,394.00</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>6.79</b>	<b>4.13</b>
Cash and cash equivalents at the beginning of the year	5.96	1.83
Cash and cash equivalents at the end of the year	<b>12.75</b>	<b>5.96</b>
Cash and cash equivalents includes:		
Cash on hand	0.22	0.32
Cash Equivalents		
Current accounts	12.53	5.64
<b>Total cash and cash equivalents at end of the year</b>	<b>12.75</b>	<b>5.96</b>
See accompanying notes to the financial statements	1-2	

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

**Mukesh Kumar Pugalía**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523

# Statement of Changes in Equity for the year ended 31 March 2024

(All amounts are in Rs. Lakhs except share data or unless otherwise stated)

		For the year ended March 31, 2024	
(A)	Equity share capital	No. of shares	Amount
	Equity shares of Rs. 10 each issued, subscribed and fully paid		
	Balance as at April 01, 2023	12,232,566	1,223.26
	Changes in equity share capital during the current year	-	-
	Balance as at March 31, 2024	12,232,566	1,223.26
		For the year ended March 31, 2023	
		No. of shares	Amount
	Equity shares of Rs. 10 each issued, subscribed and fully paid		
	Balance as at April 01, 2022	9,732,566	973.26
	Changes in equity share capital during the current year	2,500,000	250.00
	Balance as at March 31, 2023	12,232,566	1,223.26

## (B) Other equity

	Reserves and surplus				Other Compre- hensive Income	Money received against share warrants	Total
	Capital Reserve	Security premium	General reserve	Retained earnings	Remeasurement of defined benefit plans		
Balance as at April 01, 2022	142.80	6,720.30	1,325.24	(6,166.36)	(2.90)	800.00	2,819.08
Profit /(Loss) for the year	-	-	-	275.53	-	-	275.53
Other comprehensive in- come/ (loss), net of taxes	-	-	-	-	0.15	-	0.15
Transferred on account of issue of share warrants	-	2,950.00	-	-	-	-	2,950.00
Money received against share warrants	-	-	-	-	-	2,400.00	2,400.00
Share warrants converted into shares	-	-	-	-	-	(3,200.00)	(3,200.00)
Balance as at March 31, 2023	142.80	9,670.30	1,325.24	(5,890.83)	(2.75)	-	5,244.76
Profit /(Loss) for the year	-	-	-	90.31	-	-	90.31
Other comprehensive in- come/ (loss), net of taxes	-	-	-	-	(0.62)	-	(0.62)
Transferred on account of issue of share warrants	-	-	-	-	-	-	-
Money received against share warrants	-	-	-	-	-	-	-
Share warrants converted into shares	-	-	-	-	-	-	-
Balance as at 31 March 2024	142.80	9,670.30	1,325.24	(5,800.52)	(3.37)	-	5,334.45

See accompanying notes to the financial statements

1-2

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

**Mukesh Kumar Pugalía**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523

# Notes forming part of the standalone financial statements for the year ended March 31, 2024

(All amounts are in Rs. Lakhs except share data or unless otherwise stated)

## 1.1 Corporate Information

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

## 1.2 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Ind AS) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

The financial statements under Ind AS were authorised for issue by the Company's Board of Directors on May 27, 2024.

Details of the Company's accounting policies are included in Note 2.

## 1.3 Basis of measurement

These financial statements are prepared under the historical cost convention on accrual basis, except for the following material items in the Balance sheet:

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

## 1.4 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 standalone financial statements is included in the following notes:

Assumptions and estimation uncertainties in Note 2

- Note (c) — estimate of useful life used for the purposes of depreciation of property plant and equipment.
- Note (d) — Impairment;
- Note (f) — Financial instruments;

- Note (j) — Employee benefits;
- Note (k) — Income taxes
- Note (l) — Provisions, contingent liabilities and contingent assets; and

## 1.5 New and amended standards adopted by the Company

There are no new and amended standards during the year.

## 1.6 Standards issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standard) Amendment Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments relating to existing standards applicable to the Company.

## 2. Summary of Material accounting policies

The standalone 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 Lakhs, 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) Recognition and measurement

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 property, plant and equipment have different useful lives, then they are accounted for as separate items (Major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

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
Vehicles	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

\* For Leasehold improvements useful life of the asset is lower of useful life as per schedule III or lease period.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of the asset being ready for use. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'/'Other expenses'. With respect to the assets costing less than Rs. 5,000 based on an internal assessment and materiality, the management has estimated that the same shall be depreciated in the year of purchase. The residual values are not more than 5% of the original cost of the asset.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

#### d. Intangible assets

##### 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.

#### e. Leases:

##### 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 'Financial Liabilities' in the statement of financial position. (Refer note 5).

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.

## f. Financial Instruments

### Initial Recognition and measurement

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

- 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.

#### **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.

#### **g. 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.

#### **h. Investments in the nature of equity in subsidiaries**

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

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

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

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

#### **i. Revenue recognition**

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

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

#### **Other income - Interest income**

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does

not consider the expected credit losses.

#### j. 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.

#### k. Taxes

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian

Income tax regulations is not considered as tax expense for the Company and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

As at March 31, 2024 and March 31, 2023, 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 (net of liabilities) recorded in the financial statements as at reporting periods presented.

#### i. 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.

#### m. 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.

#### n. 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.

#### o. 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.

#### p. 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.

Notes forming part of the standalone financial statements for the year ended March 31, 2024  
(All amounts are in Rs. Lakhs except share data or unless otherwise stated)

### 3 . Property, plant and equipment

	Lease hold Improvement	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Total
<b>Gross carrying value</b>						
Balance as at April 1, 2022	3.16	0.34	37.55	6.08	5.74	52.87
Additions for the year	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	3.16	0.34	37.55	6.08	5.74	52.87
Additions for the year	-	-	-	-	-	-
Disposals for the year	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	3.16	0.34	37.55	6.08	5.74	52.87
<b>Accumulated depreciation</b>						
Balance as at April 1, 2022	3.16	0.29	32.69	5.73	5.68	47.55
Charge for the year	-	0.01	1.26	0.02	-	1.29
Adjustments for disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	3.16	0.30	33.95	5.75	5.68	48.84
<b>Charge for the year</b>	-	0.02	1.40	0.01	-	1.43
Adjustments for disposals	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	3.16	0.32	35.35	5.76	5.68	50.27
Net carrying value as at 31 March 2023	0.04	3.60	0.33	0.06	0.06	4.03
Net carrying value as at 31 March 2024	0.02	2.20	0.32	0.06	0.06	2.60

### 4 (a) Right-of-use-asset

Particulars	Category of ROU Asset	
	Buildings	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	22.47	14.29
Additions	-	12.91
Deletions	-	-
Depreciation	4.73	4.73
Closing Balance	17.74	22.47

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

### (b) Lease liabilities as at March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
i) Non-Current	14.87	19.51
ii) Current	4.65	4.29
<b>Total</b>	<b>19.52</b>	<b>23.80</b>

The movement in lease liabilities during the year is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	23.80	14.85
Additions	-	12.91
Finance cost accrued during the year	1.71	2.04
Deletions	-	-
Payment of lease liabilities	5.99	6.00
Closing Balance	19.52	23.80

The details of the contractual maturities of lease liabilities on an undiscounted basis as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	6.00	4.29
One year to three years	12.00	10.11
More than three years	4.50	9.40
<b>Total</b>	<b>22.50</b>	<b>23.80</b>



The following is the cash outflow on leases:

Particulars	As at March 31, 2024	As at March 31, 2023
Payment of Interest Portion of Lease liabilities	1.71	2.04
Payment of Principal Portion of Lease liabilities	4.29	3.96

Note: There are no short-term, variable or low value leases during the year.

## 5. Financial Assets- Investments

		As at March 31, 2024	As at March 31, 2023
A.	Non-Current		
	Investments in unquoted equity shares (Fully paid up, unless stated otherwise)		
	In Subsidiaries (Carried at cost)		
i)	Palred Electronics Private Limited, principal place of business at Hyderabad, India		
	Number of shares	2,72,06,574	2,72,06,574
	Par value of each share	10.00	10.00
	% of holding	78.17%	78.17%
	Gross Carrying Amount	4,453.00	4,453.00
	Accumulated Impairment/(Reversal) towards investments (Refer Note below)		
	Opening balance	3,152.35	3,254.86
	Impairment/(Reversal) during the year	200.65	(102.51)
	Closing balance	3,353.00	3,152.35
	Net Carrying Amount	1,100.00	1,300.65
ii)	Palred Retail Private Limited, principal place of business at Hyderabad, India		
	Number of shares	30,40,000	30,40,000
	Par value of each share	10.00	10.00
	% of holding	83.71%	83.71%
	Gross Carrying Amount	304.00	304.00
	Accumulated Impairment/(Reversal) towards investments (Refer Note below)		
	Opening balance	304.00	304.00
	Impairment/(Reversal) during the year	-	-
	Closing balance	304.00	304.00
	Net Carrying Amount	-	-
iii)	Palred Technology Services Private Limited, principal place of business at Hyderabad, India		
	Number of shares	1,30,10,000	1,30,10,000
	Par value of each share	10.00	10.00
	% of holding	100.00%	100.00%
	Gross Carrying Amount	1,301.00	1,301.00
	Accumulated Impairment/(Reversal) towards investments (Refer Note below)		
	Opening balance	1,301.00	1,301.00
	Impairment/(Reversal) during the year	-	-
	Closing balance	1,301.00	1,301.00
	Net Carrying Amount	-	-
	Total	1,100.00	1,300.65
	Note:		
	Aggregate amount of quoted investments	-	-
	Aggregate book value of unquoted investments	1,100.00	1,300.65
	Aggregate amount of impairment of value in investment	200.65	(102.51)

Note:

Based on the assessment of the carrying value of the investments, during the financial year, the Company has incurred an impairment of Rs. 200.65 lakhs (reversal of Rs. 102.51 Lakhs for the year ended March 31, 2023) and the same has been classified as exceptional item.

## 6. Other non-current assets

	As at March 31, 2024	As at March 31, 2023
Advance tax (net of provision)	355.86	310.90
Balances with government authorities	3.74	-
Total other non-current assets	359.60	310.90



(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

## 7. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.22	0.32
Balances with banks in current accounts	12.53	5.64
	12.75	5.96

## 8. Bank balances other than Cash and cash equivalent

	As at March 31, 2024	As at March 31, 2023
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	5,161.51	4,795.48
	5,161.51	4,795.48

Note:

The Subsidiary entities (Palred Electronics Private Limited and Palred Technology Services Private Limited) have obtained the Over-draft facilities from ICICI Bank against the above mentioned Fixed deposits.

## 9. Other financial assets

	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposits	-	116.59
	-	116.59

## 10. Other current assets

	As at March 31, 2024	As at March 31, 2023
Advance recoverable	3.57	0.39
Total	3.57	0.39

## 11. Share capital

Equity shares	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorized				
Equity shares of Rs. 10 each	2,80,38,800	2,803.88	2,80,38,800	2,803.88
14% Preference Shares of Rs.100 each	6,96,120	696.12	6,96,120	696.12
Issued, subscribed and paid up				
Equity shares of Rs.10 each fully paid	1,22,32,566	1,223.26	12,232,566	1,223.26
Total	1,22,32,566	1,223.26	12,232,566	1,223.26
(a) Reconciliation of equity shares outstanding	For the period ended March 31, 2024		For the period ended March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,22,32,566	1,223.26	97,32,566	973.26
Add: Issued during the year	-	-	25,00,000	250.00
Balance at the end of the year	1,22,32,566	1,223.26	1,22,32,566	1,223.26

(b) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

Name of the equity shareholder	As at March 31, 2024		As at March 31, 2023	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid				
Stuthi Reddy	10,00,000	8.17%	10,00,000	8.17%
Supriya Reddy Palem	16,02,261	13.10%	10,00,000	13.10%
Sanhita Reddy	10,00,000	8.17%	10,00,000	8.17%
Passage to India Master Fund Limited	7,01,586	5.74%	7,01,586	5.74%
Ashish Dhawan	6,78,189	5.54%	6,78,189	5.54%
Mathew Cyriac	25,00,000	20.44%	25,00,000	20.44%

S. No	Promoter name	As at March 31, 2024			As at March 31, 2023		
		No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
1	Stuthi Reddy	10,00,000	8.17%	-	10,00,000	8.17%	
2	Supriya Reddy Palem	16,02,261	13.10%	-	10,00,000	13.10%	
3	Sanhita Reddy	10,00,000	8.17%	-	10,00,000	8.17%	
4	Soujanya Reddy Parvatha	46,619	0.38%	-	46,619	0.38%	
5	P Soujanya Reddy .	25,000	0.20%	-	25,000	0.20%	
6	Palem Srinivas Reddy	2,600	0.02%	-	2,600	0.02%	
7	Dakshayani Reddy	600	0.01%	-	600	0.01%	
	Total	36,77,080	30.05%	-	36,77,080	30.05%	

## 12. Other equity

Particulars	Reserves and surplus				Other Comprehensive Income	Money received against share warrants	Total
	Capital Reserve	Security premium	General reserve	Retained earnings	Remeasurement of defined benefit plans		
Balance as at April 01, 2022	142.80	6,720.30	1,325.24	(6,166.36)	(2.90)	800.00	2,819.08
Profit /(Loss) for the year	-	-	-	275.53	-	-	275.53
Other comprehensive income/ (loss) (net of taxes)	-	-	-	-	0.15	-	0.15
Transferred on account of issue of share warrants	-	2,950.00	-	-	-	-	2,950.00
Money received against share warrants*	-	-	-	-	-	2,400.00	2,400.00
Share warrants converted into shares	-	-	-	-	-	(3,200.00)	(3,200.00)
<b>Balance as at March 31, 2023</b>	<b>142.80</b>	<b>9,670.30</b>	<b>1,325.24</b>	<b>(5,890.83)</b>	<b>(2.75)</b>	<b>-</b>	<b>5,244.76</b>
Profit /(Loss) for the year	-	-	-	90.31	-	-	90.31
Other comprehensive income/ (loss) (net of taxes)	-	-	-	-	(0.62)	-	(0.62)
Transferred on account of issue of share warrants	-	-	-	-	-	-	-
Money received against share warrants	-	-	-	-	-	-	-
Share warrants converted into shares	-	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>142.80</b>	<b>9,670.30</b>	<b>1,325.24</b>	<b>(5,800.52)</b>	<b>(3.37)</b>	<b>-</b>	<b>5,334.45</b>

\* The Company had allotted Share warrants to the Allottee, Mr. Mathew Cyriac in the Board Meeting held on January 19, 2022 and received 25% of the total Issue Price of Rs.3,200.00 Lakhs i.e. Rs.800.00 Lakhs on January 18, 2022. Further consideration of Rs. 800.00 Lakhs has been received in two tranches as Rs. 600.00 Lakhs on August 11, 2022, and Rs. 200.00 Lakhs on August 12,

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

2022. According to the terms of preferential issue, the Company converted and allotted 8,33,333 equity shares to Mr. Mathew Cyriac vide Board Meeting held as on August 19, 2022. The balance share warrants converted and allotted 16,66,667 equity shares to Mr. Mathew Cyriac vide Board Meeting held on October 26, 2022.

### 13. Provisions

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Gratuity liability (refer note 27)	9.63	0.32	8.10	0.26
	9.63	0.32	8.10	0.26

### 14. Other financial liabilities (current)

	As at March 31, 2024	As at March 31, 2023
Other Payables	67.95	53.52
	67.95	53.52

### 15. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	2.64	2.77
	2.64	2.77

### 16. Revenue from operations

	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of Services:		
Management fees	150.00	150.00
Total revenue from operations	150.00	150.00

### 17. Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Income	299.62	191.78
Total other income	299.62	191.78

### 18. Employee benefits expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	69.71	76.35
Contribution to provident and other funds	0.97	1.02
Gratuity expenses (Refer note 27)	0.98	2.30
	71.66	79.67

### 19. Finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expense on lease liability (Refer note 4 (b))	1.71	2.04
	1.71	2.04

### 20. Depreciation and amortization expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 3)	1.43	1.29
Depreciation of right-of-use-assets (Refer note 4 (a))	4.73	4.73
	6.16	6.02

**21. Other expenses**

	For the year ended March 31, 2024	For the year ended March 31, 2023
Rates and taxes	12.61	13.82
Office expenses	11.06	12.33
Communication, broadband and internet expenses	0.18	0.42
Insurance	-	0.04
Travelling and conveyance	0.64	2.42
Legal and professional charges	6.19	8.01
Auditor's Remuneration (Refer Note*)	16.00	16.00
Sitting Fees	1.65	1.60
Hosting Expenses	30.33	25.57
Advertisement	0.47	0.81
Miscellaneous expenses	0.01	0.01
	79.14	81.03

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

	For the year ended March 31, 2024	For the year ended March 31, 2023
As auditor:		
Statutory audit	8.00	8.00
Limited Review	6.00	6.00
Certification Fees	2.00	2.00
Total	16.00	16.00

**22. Exceptional items**

	For the year ended March 31, 2024	For the year ended March 31, 2023
(Impairment Cost) / Reversal in Impairment cost	(200.65)	102.51
	(200.65)	102.51

Note: Based on the assessment of the carrying value of the investments, during the financial year, the Company had impairment of Rs. 200.65 lakhs and classified as exceptional item. Refer footnote in note 5.

**23. Earnings per equity share (EPES)**

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

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

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

	March 31, 2024	March 31, 2023
Profit/(Loss) attributable to equity holders	90.30	275.53
Weighted average number of equity shares	12,232,566	10,956,310
Opening weighted average number of equity shares	12,232,566	9,732,566
Issued during current year and previous:		
i. 8,33,333 on August 19, 2022	-	511,415
ii. 16,66,667 on October 26, 2022	-	712,329
Closing weighted average number of equity shares	12,232,566	10,956,310
Adjusted number of shares for Dilutive EPS	12,232,566	10,956,310
Basic earnings per share (INR)	0.74	2.51
Diluted earnings per share (INR)	0.74	2.51

**24. Fair value measurements****(i) Fair value hierarchy**

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

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

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

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

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

(ii) Financial instruments by category

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

	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Investments	1,100.00	6,058.00	1,300.65	6,058.00
Cash and cash equivalents	-	12.75	-	5.96
Other Bank balances	-	5,161.51	-	4,795.48
Other financial assets	-	-	-	116.59
Total financial assets	1,100.00	11,232.26	1,300.65	10,976.03
Financial liabilities				
lease liability	-	23.80	-	23.80
Other financial liabilities	-	67.95	-	53.52
Total financial liabilities	-	91.75	-	77.32

- iii. 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 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 results from adverse changes in market rates (such as interest rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments. The Company's exposure to market risk is a function of investing activities.

### B. Credit risk

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

### C. Liquidity risk

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Current Assets	5,177.83	4,918.42
Current liabilities	75.56	60.84
Working Capital	5,102.27	4,857.58



## 26. Capital risk management

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

## 27. Employee benefits

### (a) Gratuity

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.

		March 31, 2024	March 31, 2023
i.	Change in projected benefit obligation		
	Projected benefit obligation at the beginning of the year	8.36	15.30
	Service cost	0.35	1.23
	Interest cost	0.62	1.07
	Actuarial (gain) / loss	0.62	(0.15)
	Benefits paid	-	(9.09)
	Projected benefit obligation at the end of the year	9.95	8.36
ii.	Expense recognized in the statement of profit and loss		
	Service cost	0.35	1.23
	Interest cost	0.62	1.07
	Expected returns on plan assets	-	-
	Net gratuity costs	0.97	2.30
iii.	Expense recognized in OCI		
	Recognized net actuarial (gain)/ loss	0.62	(0.15)
iv.	Key actuarial assumptions		
	Financial assumptions		
	Discount rate	7.50%	6.98%
	Salary escalation rate	7.00%	7.00%
	Rate of Employee Turnover	For Service 4 years and below 30%	"For Service 4 years and below 30%"
		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

		March 31, 2024	March 31, 2023
v.	Sensitivity Analysis		
	Projected defined benefit obligation	9.96	8.36
	Delta effect of +1% change in discount rate	(1.16)	(0.99)
	Delta effect of -1% change in discount rate	1.37	1.17
	Delta effect of -1% change in salary escalation rate	0.50	0.37
	Delta effect of +1% change in salary escalation rate	(0.45)	(0.34)
	Delta effect of +1% change in employee turnover rate	0.48	0.45
	Delta effect of -1% change in employee turnover rate	(0.55)	(0.52)
vi.	Maturity analysis of projected benefit obligation		
	1 year	0.32	0.26
	2 to 5 years	1.42	1.22
	6 to 10 years	2.24	1.93
	More than 10 years	24.37	22.03

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

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

## 28. Related Party disclosures

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

Names of related parties	Country of incorporation	Nature of relationship
Palred Electronics Private Limited	India	Subsidiary
Palred Retail Private Limited	India	Subsidiary
Palred Technology Services Private Limited	India	Wholly Owned Subsidiary
Palred Online Bilism Teknojileri Ticaret Anonim Sirketi	Republic of Turkey	Step-down subsidiary
Palred Electronics Limited	Hong Kong	Step-down subsidiary
Parude Technology Shenzhen Co Ltd	China	Step-down subsidiary
Mr. Pinekalapati Harish Naidu, CFO		Key Managerial Personnel
Mrs. Shruti Rege, Company Secretary		Key Managerial Personnel
Mrs. Supriya Reddy		Key Managerial Personnel
Mrs. Stuthi Reddy		Key Managerial Personnel

### (b) Transactions with related parties:

Related Party	Transaction	For the year ended	For the year ended
		March 31, 2024	March 31, 2023
Palred Electronics Private Limited	Pledge of fixed deposits against working capital limits	4,750.00	4,290.57
Palred Technology Services Private Limited	Pledge of fixed deposits against working capital limits	240.23	188.07
Palred Electronics Private Limited	Management Fe	150.00	150.00
Mr. Pinekalapati Harish Naidu	Salaries including bonuses	40.00	40.00
Mr. Pinekalapati Harish Naidu	Reimbursement of expenses	-	0.04
Mrs. Supriya Reddy	Salaries including bonuses	15.00	15.00
Mrs. Supriya Reddy	Reimbursement of expenses	0.94	2.07
Mrs. Shruti Rege	Salaries including bonuses	10.00	9.31
Mrs. Stuthi Reddy	Rent expense	6.00	6.00

### (c) Balances receivable/(payables)

	As at March 31, 2024	As at March 31, 2023
Palred Electronics Private Limited	(4718)	(32.35)
Ms. Stuthi Reddy	(0.54)	(0.54)
Palred Retail Private Limited	(0.22)	(0.22)

## 29. Segment reporting

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

## 30. Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

## 31 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

## 32. Willful Defaulters

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

## 33. Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## 34. Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

## 35. Compliance with approved Scheme(s) of Arrangements

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**36. Utilisation of Borrowed funds and share premium:**

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**37. Ratios**

S No.	Ratio	March 31, 2024		March 31, 2023		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	Numerator	Denominator	31 March 2024	31 March 2023		
(a)	Current Ratio	5,177.83	75.56	4,918.42	60.84	68.53	80.84	-15.23%	NA
(b)	Debt-Equity Ratio	NA	NA	NA	NA	NA	NA	NA	NA
(c)	Debt Service Coverage Ratio	NA	NA	NA	NA	NA	NA	NA	NA
(d)	Return on Equity Ratio	90.30	6,557.71	275.53	6,468.02	1.38	4.26	67.68%	Note 1(b)
(h)	Net Capital Turnover Ratio	150.00	4,979.93	150.00	3,589.61	0.03	0.04	27.92%	Note 1(c)
(i)	Net Profit Ratio	90.30	150.00	275.53	150.00	0.60	1.84	67.23%	N/A
(j)	Return on Capital Employed	92.01	6,582.21	277.57	6,495.63	0.01	0.04	67.29%	Note 1(b)
(k)	Return on Investment	90.30	6,557.71	275.53	6,468.02	0.01	0.04	67.68%	Note 1(b)

Note1: a) Improvement in current ratio is due to creation of additional fixed deposits. b) Reversal of impairment on Non current assets has led to increase in profits. c) Improvement in Net capital turnover ratio is due to addition in fixed deposits.

**38. Undisclosed income**

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**39. Corporate Social Responsibility**

Provision of Section 135 of the Act is not Applicable to the Company as the Company's net worth is below Rs. 500 crore, turnover is below Rs. 1,000 crore and net profit is less than Rs. 5 crore during immediately preceding financial year.

**40. Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**41. Events after the reporting period**

There has been no significant subsequent events after the reporting period requiring either disclosure or adjustment to the reported financial statements.

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

**43. Approval of financial statements**

The above financial statements has been approved by the Board of Directors in the board meeting held on May 27, 2024.

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

**Mukesh Kumar Pugalia**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523

# CONSOLIDATED FINANCIAL STATEMENTS



# Independent Auditor's Report

To the Members of **Plared Technologies Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Palred Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

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

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under

section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

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

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

### Other Matters

a. We did not audit the financial statements of three subsidiaries whose financial information reflect total assets of Rs. 129.44 Lakhs as at March 31, 2024, total revenues of Rs. 130.10 Lakhs and net cash flows amounting to Rs.11.34 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including total other comprehensive income) of Rs. 49.65 Lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements. These financial

information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information are not material to the Group.

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

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vii) below on reporting under Rule 11(g).
- c. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vii) below on reporting under Rule 11(g).
- d. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- e. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- f. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 37 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies entities incorporated in India.
  - iv. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - vi. The respective Managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - vii. The Company has neither declared nor paid any dividend during the year.
  - viii. Based on our examination, the Group has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Mukesh Kumar Pugalia**

Partner

Membership No. 221387

UDIN: 24221387BKELXV1449

Place: Hyderabad

Date: 27th May 2024

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 (current year) and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Mukesh Kumar Pugalia**

Partner

Membership No. 221387

UDIN: 24221387BKELXV1449

Place: Hyderabad

Date: 27th May 2024

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

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Palred Technologies Limited on the Consolidated Financial Statements for the year ended March 31, 2024]

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

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of Palred Technologies Limited (hereinafter referred to as "the Holding Company") and its three subsidiary companies as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in 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 the respective 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 internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies which are incorporated in India.

#### **Meaning of Internal Financial Controls With reference to Consolidated Financial Statements**

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



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

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

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Mukesh Kumar Pugalia**

Partner

Membership No. 221387

UDIN: 24221387BKELXV1449

Place: Hyderabad

Date: 27th May, 2024

# Consolidated Balance Sheet as at March 31, 2024

(All amounts are in Rs Lakhs, except share data or unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, plant and equipment	3	145.32	170.75
(b) Right-of-use-assets	4 (a)	259.20	516.35
(c) Intangible assets	5	3.25	4.71
(d) Financial assets			
Other financial assets	6	60.70	65.70
(e) Other non-current assets	7	434.32	386.73
<b>Total non-current assets</b>		<b>902.79</b>	<b>1,144.24</b>
<b>2. Current assets</b>			
(a) Inventories	8	3,265.56	2,971.14
(b) Financial assets			
(i) Trade receivables	9	2,701.19	2,955.89
(ii) Cash and cash equivalents	10	88.01	46.74
(iii) Bank balances other than cash and cash equivalents	11	5,161.51	4,795.49
(iv) Other financial assets	12	24.79	125.46
(c) Other current assets	13	778.43	979.81
<b>Total current assets</b>		<b>11,241.06</b>	<b>11,874.53</b>
<b>Total assets</b>		<b>12,143.85</b>	<b>13,018.77</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity share capital	14	1,223.26	1,223.26
(b) Other equity	15	4,405.43	4,753.22
<b>Equity attributable to owners of the parent</b>		<b>5,628.69</b>	<b>5,976.48</b>
(c) Non-controlling interest		42.57	209.97
<b>Total Equity</b>		<b>5,671.26</b>	<b>6,186.45</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
Lease Liabilities	4 (b)	212.44	499.32
(b) Provisions	16	58.50	45.24
<b>Total non-current liabilities</b>		<b>270.94</b>	<b>544.56</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	6,340.30	5,491.52
(ii) Lease liability	4(b)	68.70	54.98
(iii) Trade payables	18	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprise and small enterprises		1.51	22.05
(iv) Other financial liabilities	19	541.58	691.99
(b) Other current liabilities	20	26.66	26.15
(c) Provisions	16	1.33	1.07
<b>Total current liabilities</b>		<b>6,980.08</b>	<b>6,287.76</b>
<b>Total liabilities</b>		<b>7,251.02</b>	<b>6,832.32</b>
<b>Total equity and liabilities</b>		<b>12,922.28</b>	<b>13,018.77</b>
See accompanying notes to the financial statements	1-2		

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

**Mukesh Kumar Pugalia**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523

# Consolidated Statement of Profit and Loss

## for the year ended March 31, 2024

(All amounts are in Rs Lakhs, except share data or unless otherwise stated)

	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
I. Revenue from operations	21	11,598.70	14,802.01
II. Other income	22	445.63	267.02
<b>III. Total income (I+II)</b>		<b>12,044.33</b>	<b>15,069.03</b>
IV. Expenses			
Cost of material consumed	23	5,177.57	261.73
Purchase of stock-in-trade	24	2,827.70	11,386.52
Changes in inventories of stock-in-trade	25	(263.96)	(808.21)
Employee benefits expense	26	1,180.62	936.89
Finance cost	27	639.23	442.76
Depreciation and amortization expense	28	165.63	106.26
Other expenses	29	2,827.24	2,787.92
<b>Total expenses (IV)</b>		<b>12,554.03</b>	<b>15,113.87</b>
V. Profit /(Loss) before tax (III-IV)		<b>(509.70)</b>	<b>(44.84)</b>
VI. Tax expense:			
a) Current tax		-	-
b) Deferred tax charge/(benefit)		-	-
Total tax expenses (VI)		-	-
VII. Profit/(Loss) for the year (V - VI)		<b>(509.70)</b>	<b>(44.84)</b>
VIII. Other comprehensive income			
(i) Items that will be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations		(0.58)	11.48
		(0.58)	11.48
(ii) Items that will not be reclassified to profit and loss			9.29
Remeasurement of net defined benefit liability (net of taxes)		(3.08)	(3.22)
		(3.08)	(3.22)
Other comprehensive income for the year(VIII)		(3.66)	8.26
IX. Total comprehensive income for the year (VII + VIII)		<b>(513.36)</b>	<b>(36.58)</b>
Attributable to:			
Owners of PTL		(342.29)	(3.82)
Non-controlling interests		(167.41)	(41.02)
Profit is attributable to:			
Owners of PTL		(345.29)	2.67
Non-controlling interests		(168.07)	(39.25)
Other comprehensive income is attributable to:			
Owners of PTL		(3.00)	6.49
Non-controlling interests		(0.65)	1.77
<b>Earnings per equity share</b>			
(i) Basic earnings per equity share		(2.80)	(0.03)
(ii) Diluted earnings per equity share		(2.80)	(0.03)
Summary of material accounting policies	1-2		

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

**Mukesh Kumar Pugalia**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523

# Consolidated Statement of Cash Flows

## for the year ended March 31, 2024

(All amounts are in Rs Lakhs, except share data or unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. Cash flow from operating activities</b>		
Net Profit/(Loss) before tax as per statement of profit and loss	(509.70)	(44.84)
Adjustments for:		
Depreciation and amortization expenses	165.63	106.26
Finance cost	639.23	442.76
Interest income	(299.83)	(191.95)
Unrealised Forex Gain, net	(1.21)	(10.68)
Balances written off	8.58	-
<b>Operating profit/ (loss) before working capital changes</b>	<b>2.70</b>	<b>301.55</b>
<b>Adjustments for working capital changes in:</b>		
Decrease/ (increase) in inventories	(294.42)	(790.05)
Decrease/ (increase) in trade receivables	246.12	(1,579.66)
Decrease/ (increase) in other financial assets	(194.16)	(85.37)
Decrease/ (increase) in other non-current assets	(3.25)	-
Decrease/ (increase) in other current assets	201.40	(52.67)
(Decrease)/ increase in trade payables	(20.55)	(34.33)
Increase/ (decrease) in other financial liabilities	(150.39)	461.66
(Decrease)/ increase in non-current liabilities	13.26	(25.31)
(Decrease)/ increase in other current liabilities	0.51	7.74
(Decrease)/ increase in provisions	0.26	(0.55)
Cash generated used in operations	(198.52)	(1,796.99)
Taxes paid	(44.34)	(35.30)
<b>Net cash flows generated from/(used in) operating activities (A)</b>	<b>(242.86)</b>	<b>(1,832.28)</b>
<b>B. Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(31.09)	(160.96)
Sale of property, plant and equipment and intangible assets	0.17	-
Net proceeds from fixed deposits	(366.03)	(2,418.35)
Interest received	416.54	86.53
<b>Net cash flows generated from/(used in) investing activities (B)</b>	<b>19.59</b>	<b>(2,492.78)</b>
<b>C. Cash flow from Financing activities</b>		
Proceeds from issuance of equity share capital	-	2,400.00
Proceeds from short-term borrowings	866.26	2,344.15
Interest paid	(602.93)	(410.78)
<b>Net cash flows generated from/(used in) financing activities (C)</b>	<b>263.33</b>	<b>4,333.37</b>
Net increase in cash and cash equivalents (A+B+C)	40.06	8.31
Cash and cash equivalents at the beginning of the year	46.74	27.75
Effect on exchange rates	1.21	10.68
Cash and cash equivalents at the end of the year	88.01	46.74
Cash and cash equivalents includes	15.68	23.30
Cash on hand	0.91	1.46
Balances with banks	87.10	45.28
<b>Total cash and bank balances at end of the year</b>	<b>88.01</b>	<b>46.74</b>

Summary of material accounting policies

1-2

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

**Mukesh Kumar Pugalia**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523

# Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

(A)		For the year ended March 31, 2024	
		No. of shares	Amount
	Equity share capital		
	Equity shares of Rs. 10 each issued, subscribed and fully paid		
	Balance as at April 01, 2023	12,232,566	1,223.26
	Changes in equity share capital during the current year	-	-
	<b>Balance as at March 31, 2024</b>	<b>12,232,566</b>	<b>1,223.26</b>

		For the year ended March 31, 2023	
		No. of shares	Amount
	Equity share capital		
	Equity shares of Rs. 10 each issued, subscribed and fully paid		
	Balance as at April 01, 2022	12,232,566	1,223.26
	Changes in equity share capital during the current year	-	-
	<b>Balance as at March 31, 2023</b>	<b>12,232,566</b>	<b>1,223.26</b>

## (B) Other equity

	Reserves and surplus				Other Comprehensive Income		Total attributable to owners of parent	Non controlling interests	Total
	Capital Reserve	Security premium	General reserve	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit plans			
Balance as at March 31, 2022	142.80	6,720.30	1,325.24	(5,586.69)	3.86	2.95	2,608.47	250.99	2,859.43
Net Loss for the year	-	-	-	(3.82)	-	-	(3.82)	(41.02)	(44.84)
Other comprehensive income (OCI), net of taxes	-	-	-	-	11.48	(3.22)	8.26	-	8.26
Other adjustments	-	2,950.00	-	(809.69)	-	-	2,140.31	-	-
<b>Balance as at March 31, 2023</b>	<b>142.80</b>	<b>9,670.30</b>	<b>1,325.24</b>	<b>(6,400.20)</b>	<b>15.34</b>	<b>(0.27)</b>	<b>4,753.22</b>	<b>209.97</b>	<b>4,963.18</b>
Net Loss for the year	-	-	-	(342.29)	(7.76)	-	(342.29)	-	(1.92)
Other comprehensive income (OCI), net of taxes	-	-	-	-	(0.58)	(3.08)	(3.66)	-	(3.66)
Other adjustments	-	-	-	(1.84)	-	-	(1.84)	0.01	(1.83)
<b>Balance as at March 31, 2024</b>	<b>142.80</b>	<b>9,670.30</b>	<b>1,325.24</b>	<b>(6,744.33)</b>	<b>14.76</b>	<b>(3.35)</b>	<b>4,405.43</b>	<b>42.57</b>	<b>4,447.99</b>

See accompanying notes to the consolidated financial statements 1-46

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

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

**Mukesh Kumar Pugalia**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523



# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

(All amounts are in Rs Lakhs, except share data or unless otherwise stated)

## 1. Corporate Information

The Consolidated financial statements of "Palred Technologies Limited" ("the Company" or "Parent Company") and its subsidiaries (Collectively referred to as "Group") are for the year ended March 31, 2023. The Company is a public company incorporated and domiciled in India and incorporated in accordance with the provisions of the erstwhile Companies Act, 1956. The Company's registered office is at 8-2-703/2/B/Plot No: 2, Road No.12, Banjara Hills, Hyderabad, Telangana-500 034. Its shares are listed on two recognized stock exchanges of India, the National Stock Exchange of India Limited and BSE Limited. The Group is primarily engaged into trading in mobiles, electronic products, fashion accessories and providing related services.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2024 and authorised for issue on May 27, 2024.

## 1.2 Compliance with Ind AS

The consolidated financial statements of the Company along with its subsidiaries (together referred to as "Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant IND AS that are effective at the Company's annual reporting date March 31, 2024.

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

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

## 1.3 Basis of consolidation

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

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

Generally, there is a presumption that a majority of voting rights

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

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on March 31, 2024. When the end of the reporting period of the Parent Company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the Parent Company to enable the Parent Company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

## Consolidation procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill or capital reserve.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as

inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary

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

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

Name of the Company	Country	Relationship	Percentage holding/ interest %	
			As at March 31, 2024	As at March 31, 2023
Palred Electronics Private Limited ('PEP') (formerly known as Palred Online Technologies Private Limited)	India	Subsidiary	78.17%	78.17%
Palred Retails Private Limited (PRP)	India	Subsidiary	83.71%	83.71%
Palred Technology Services Private Limited ('PTS')	India	Subsidiary	100.00%	100.00%
Palred Online Technologies Limited ('POT')	Hong Kong	Subsidiary of PEP	100.00%	100.00%
Palred Technology Shenzhen Company Ltd	China	Subsidiary of POT	100.00%	100.00%
Palred Online Bilism Teknolojileri Ticaret Anonim Sirketi	Turkey	Subsidiary of PEP	100.00%	100.00%

#### Non- Controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's owners. Non-controlling interest are initially measured at proportionate share on the date of acquisition of the recognized amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent charges inequity

#### 1.4 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires the Management to make judgements, estimate and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and in any future periods effected. Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- i. Note (c) and (d) — Useful lives of property, plant and equipment and other intangible assets;
- ii. Note (e) — Impairment;
- iii. Note (h) — Financial instruments;
- iv. Note (l) — Employee benefits;

v. Note (n) — Income taxes

vi. Note (o) — Provisions, contingent liabilities and contingent assets; and

#### 1.5 New and amended standards adopted by the Company

There are no new and amended standards during the year.

#### 1.6 Standards issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standard) Amendment Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments relating to existing standards applicable to the Company.

#### 2. Summary of material accounting policies

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

##### a. Functional Currency

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

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

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

An asset is classified as current when it is:

- i. Expected to be realised or intended to be sold or consumed in normal operating cycle.
- ii. Held primarily for the purpose of trading.

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

- 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 recognized is derecognized 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 derecognized.

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 straight line method using the useful lives of the assets estimated by management. The useful life is as follows:

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

\* For Leasehold improvements useful life of the asset is lower of useful life as per schedule III or lease period.

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

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

#### d. Intangible assets

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

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

#### e. Impairment

##### Impairment of non-financial assets

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

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

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

##### Impairment of financial assets

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



(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

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:**

##### **Group as a lessee**

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

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

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

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

- i. Fixed payments, including in-substance fixed payments;
- ii. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- iii. Amounts expected to be payable under a residual value guarantee; and
- iv. The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

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

#### **Short-term leases and leases of low-value assets**

The Group has elected not to recognize 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 recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

#### **g. Inventories:**

##### **Inventories comprise of stock-in-trade and packing materials**

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

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

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

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

#### **h. Financial Instruments**

##### **Initial Recognition and measurement**

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

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

##### **Classification and subsequent measurement**

##### **Financial Assets**

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

- i. amortised cost;
- ii. fair value through other comprehensive income ("FVTOCI") – debt investment;
- iii. FVTOCI – equity investment; or
- iv. FVTPL

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

### Amortised cost

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

- i. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

### FVTOCI – debt investment

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

- i. the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

### Equity investment

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

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

### FVTPL

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

### Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if

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

### De-recognition

#### Financial assets

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

#### Financial liabilities

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

### Offsetting of financial instruments

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

### Derivative financial instruments and hedge accounting

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

### Cash and cash equivalents

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

### Dividend distribution to equity holders of the Company

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



(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

## **i. Foreign currency transactions**

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

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

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

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

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

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

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

## **k. Revenue recognition**

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

## **Other income - Interest income**

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

## **Other income - Dividend income**

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

## **l. Retirement and other employee benefits**

### **Defined contribution plan**

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

### **Defined benefit plan**

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

### **Short-term employee benefits**

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

## **m. Borrowing Cost**

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

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

## **n. Taxes**

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

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

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

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

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

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

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

As at March 31, 2024 and March 31, 2023, the Group has deferred tax asset on account of unabsorbed business loss, unabsorbed tax depreciation and other items, which have not been recognized on the grounds of prudence. Consequently, there is no deferred tax asset (net of liabilities) recorded in the consolidated financial statements as at reporting periods presented.

#### **o. Provisions, contingent liabilities and contingent assets**

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

Contingent liability is disclosed for:

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

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

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

#### **p. Cash flow statement**

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

#### **q. Exceptional Items**

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

#### **r. Earnings per share**

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

#### **s. Contributed equity**

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

(All amounts are in Rs Lakhs, except share data or unless otherwise stated)

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2024

### 3. Property, plant and equipment

Particulars	Lease hold Improvement	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installation	Total
Gross carrying value							
Balance as at March 31, 2023	49.64	0.90	103.28	50.37	89.32	71.91	365.42
Additions for the year	0.77	-	0.09	8.20	3.78	18.25	31.09
Disposals for the year	-	-	-	-	-	1.01	1.01
Balance as at March 31, 2024	50.41	0.90	103.37	58.57	93.10	89.15	395.50
Accumulated depreciation							
Balance as at April 1, 2023	13.67	0.86	71.84	26.11	70.61	11.58	194.67
Charge for the year	3.87	0.01	8.69	13.48	11.29	19.02	56.36
Adjustments for disposals	-	-	-	-	-	0.84	0.84
Balance as at March 31, 2024	17.54	0.87	80.53	39.59	81.90	29.76	250.19
Net carrying value							
<b>As at March 31, 2023</b>	<b>35.97</b>	<b>0.04</b>	<b>31.44</b>	<b>24.26</b>	<b>18.71</b>	<b>60.33</b>	<b>170.75</b>
<b>As at March 31, 2024</b>	<b>32.87</b>	<b>0.03</b>	<b>22.84</b>	<b>18.98</b>	<b>11.20</b>	<b>59.40</b>	<b>145.32</b>

### 4 (a) Right-of-use-asset

Particulars	Category of ROU Asset	
	Buildings	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening Balance	516.35	188.82
Additions	-	400.04
Modification of lease during the year (reduction in space and lease term)	149	-
Depreciation	107.72	72.51
<b>Closing Balance</b>	<b>259.20</b>	<b>516.35</b>

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

### (b) Lease liabilities as at March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
i) Non-Current	212.44	499.32
ii) Current	68.70	54.98
<b>Total</b>	<b>281.14</b>	<b>554.30</b>

The movement in lease liabilities during the year is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Opening Balance</b>	<b>554.30</b>	<b>207.92</b>
Additions	-	400.04
Finance cost accrued during the year	36.30	31.98
Modification of lease during the year (reduction in space and lease term)	184.84	-
Payment of lease liabilities	124.62	85.64
<b>Closing Balance</b>	<b>281.14</b>	<b>554.30</b>

The details of the contractual maturities of lease liabilities on an undiscounted basis as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	87.89	131.74
One year to three years	169.71	275.77
More than three years	66.48	264.72
<b>Total</b>	<b>324.08</b>	<b>672.23</b>

The following is the cash outflow on leases:

Particulars	As at March 31, 2024	As at March 31, 2023
Payment of Interest Portion of Lease liabilities	36.30	31.98
Payment of Principal Portion of Lease liabilities	88.32	53.66

Note: There are no short-term, variable or low value leases during the year.

**5. Intangible assets**

	Computer Software	Total
Gross carrying value		
Balance as at April 1, 2023	77.50	77.50
Additions for the year	0.14	0.14
Balance as at March 31, 2024	77.64	77.64
Accumulated amortization		
Balance as at April 1, 2023	72.79	72.79
Charge for the year	1.60	1.60
<b>Balance as at March 31, 2024</b>	<b>74.39</b>	<b>74.39</b>
<b>Net carrying value as at March 31, 2023</b>	<b>4.71</b>	<b>4.71</b>
<b>Net carrying value as at March 31, 2024</b>	<b>3.25</b>	<b>3.25</b>

**6. Other financial assets (non-current)**

	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Security deposits		
Others	60.70	65.70
	<b>60.70</b>	<b>65.70</b>

**7. Other non-current assets**

	As at March 31, 2024	As at March 31, 2023
Advance tax (net of provision)	390.10	345.63
Balances with government authorities	44.22	41.10
<b>Total other non-current other assets</b>	<b>434.32</b>	<b>386.73</b>

**8. Inventories**

	As at March 31, 2024	As at March 31, 2023
Stock-in-trade (at lower of cost or net realizable value)	3,156.07	2,892.10
Packing materials (at cost)	109.49	79.04
	<b>3,265.56</b>	<b>2,971.14</b>

**9. Trade receivable**

	Current	
	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good - unsecured	2,701.19	2,955.89
Less: Loss Allowance	-	-
	<b>2,701.19</b>	<b>2,955.89</b>

## Ageing of Trade Receivables

March 31, 2024								
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	1,932.15	472.87	278.87	13.63	0.65	3.02	2,701.19
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,932.15</b>	<b>472.87</b>	<b>278.87</b>	<b>13.63</b>	<b>0.65</b>	<b>3.02</b>	<b>2,701.19</b>

(All amounts are in Rs Lakhs, except share data or unless otherwise stated)

March 31, 2023								
Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	2,900.15	33.26	11.79	2.90	7.79	-	2,955.89
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,900.15</b>	<b>33.26</b>	<b>11.79</b>	<b>2.90</b>	<b>7.79</b>	<b>-</b>	<b>2,955.89</b>

## 10. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Cash on hand	0.91	27.91
Balances with banks		
In current accounts	83.62	15.68
In Fixed Deposit	3.48	3.15
	<b>88.01</b>	<b>46.74</b>

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

## 11 Bank balances other than Cash and cash equivalent

	As at March 31, 2024	As at March 31, 2023
Deposits with banks with original maturity of more than three months but less than 12 months	5,161.51	4,795.48
	<b>5,161.51</b>	<b>4,795.49</b>

## 12. Other financial assets

	As at March 31, 2024	As at March 31, 2023
Interest accrued on fixed deposits	-	116.71
Others	24.79	8.75
	<b>24.79</b>	<b>125.46</b>

## 13. Other current assets

	As at March 31, 2024	As at March 31, 2023
Advance recoverable in kind	3.57	0.39
Balance with Government Authorities	383.17	231.75
Others	6.42	20.68
Prepaid expenses	39.64	54.32
Vendor and employee advances	345.63	672.68
<b>Total</b>	<b>778.43</b>	<b>979.81</b>



**14. Share capital**

Equity shares	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Authorized				
Equity shares of Rs. 10 each	28,038,800	2,803.88	28,038,800	2,803.88
14% Preference Shares of Rs.100 each	696,120	696.12	696,120	696.12
Issued, subscribed and paid up				
Equity shares of Rs.10 each fully paid	12,232,566	1,223.26	12,232,566	1,223.26
Total	12,232,566	1,223.26	12,232,566	1,223.26
(a) Reconciliation of equity shares outstanding	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	12,232,566	1,223.26	9,732,566	973.26
Add: Issued during the year	-	-	2,500,000	250.00
Outstanding at the end of the year	12,232,566	1,223.26	12,232,566	1,223.26

**(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 Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

Name of the equity shareholder	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of Rs. 10 each fully paid				
Stuthi Reddy	1,000,000	8.17%	1,000,000	8.17%
Supriya Reddy Palem	1,602,261	13.10%	1,602,261	13.10%
Sanhita Reddy	1,000,000	8.17%	1,000,000	8.17%
Passage to India Master Fund Limited	701,586	5.74%	701,586	5.74%
Ashish Dhawan	678,189	5.54%	678,189	5.54%
Mathew Cyriac	2,500,000	20.44%	2,500,000	20.44%

**(d) Details of Shares held by Promoters at the end of the year**

S. No	Promoter name	As at March 31, 2024			As at March 31, 2023		
		No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
1	Stuthi Reddy	1,000,000	8.17%	-	1,000,000	8.17%	-
2	Supriya Reddy Palem	1,602,261	13.10%	-	1,000,000	13.10%	-
3	Sanhita Reddy	1,000,000	8.17%	-	1,000,000	8.17%	-
4	Soujanya Reddy Parvatha	46,619	0.38%	-	46,619	0.38%	-
5	P Soujanya Reddy .	25,000	0.20%	-	25,000	0.20%	-
6	Palem Srinivas Reddy	2,600	0.02%	-	2,600	0.02%	-
7	Palem Srikanth Reddy	-	0.00%	-	-	0.00%	-
8	Dakshayani Reddy	600	0.01%	-	600	0.01%	-
	Total	3,677,080	30.05%	-	3,677,080	30.05%	-

(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.

(All amounts are in Rs Lakhs, except share data or unless otherwise stated)

## 15. Other equity

	As at 31 March 2024	As at 31 March 2023
Reserves and surplus		
Capital Reserve	142.80	142.80
Securities premium	9,670.30	9,670.30
General reserve	1,325.24	1,325.24
Retained earnings	(6,744.32)	(6,400.20)
<b>Total reserves and surplus</b>	<b>4,394.02</b>	<b>4,738.14</b>
Other Comprehensive Income		
Re-measurement gains/ (losses) on defined benefit plans	(3.35)	-0.27
Foreign Currency translation reserve	14.76	15.34
Total other comprehensive income	11.41	15.08
<b>Total Other equity</b>	<b>4,405.43</b>	<b>4,753.22</b>

Nature and Purpose of reserve:

### i. Capital Reserve

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

### ii. Securities Premium Account

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

### iii. General reserve

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

### iv. Remeasurement of defined benefit plan

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

### v. Foreign currency translation reserve

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

## 16. Provisions

	As at March 31, 2024		As at March 31, 2023	
	Non-current	Current	Non-current	Current
Gratuity liability (refer note 35)	58.50	1.33	45.24	1.07
	<b>58.50</b>	<b>1.33</b>	<b>45.24</b>	<b>1.07</b>

## 17. Borrowings (current)

	As at March 31, 2024	As at March 31 2023
Secured, loans repayable on demand from banks		
Overdraft facility from Bank	6,340.30	5,491.52
	<b>6,340.30</b>	<b>5,491.52</b>

Note:

i. Loan repayable on demand from banks is in the nature of bank over draft, secured by way of fixed deposits amounting to INR 4,990.23 lakhs and carries 1.5% over and above the pledged fixed deposits interest rates per annum.

### ii. Net debt reconciliation

	Amounts
<b>Net debt as at April 1, 2019</b>	<b>1,209.42</b>
Cash flows, net	(1,209.42)
Interest expense	55.38
Interest paid	(55.38)
<b>Net debt as at April 1, 2020</b>	<b>-</b>
Cash flows, net	2,786.71
Interest expense	262.79
Interest paid	(262.79)

	Amounts
<b>Net debt as at March 31, 2022</b>	<b>2,786.71</b>
Cash flows, net	3,147.38
Interest expense	303.95
Interest paid	(303.95)
<b>Net debt as at March 31, 2022</b>	<b>3,147.38</b>
Cash flows, net	5,491.52
Interest expense	410.78
Interest paid	(410.78)
<b>Net debt as at March 31, 2023</b>	<b>5,491.52</b>
Cash flows, net	6,340.30
Interest expense	602.93
Interest paid	(602.93)
<b>Net debt as at March 31, 2024</b>	<b>6,340.30</b>

**18. Trade payables**

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.51	22.05
	<b>1.51</b>	<b>22.05</b>

Trade Payables ageing schedule

March 31, 2024	Current						
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Receipts				
			Less than 1 Year	1-2 years years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	-	1.51	-	-	-	1.51
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>			<b>1.51</b>				<b>1.51</b>

Trade Payables ageing schedule

March 31, 2023	Current						
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Receipts				
			Less than 1 Year	1-2 years years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	-	22.05	-	-	-	22.05
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>			<b>22.05</b>				<b>22.05</b>

Note:

1. The Micro and Small Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Details of dues to such parties are given below:

	As at March 31, 2024	As at March 31, 2023
The principal amount remaining unpaid as at the end of the year	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
Amount of interest paid by the Company in terms of Section 16, of (MSMED Act 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act 2006)	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act 2006)	-	-

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

## 19. Other financial liabilities (current)

	As at March 31, 2024	As at March 31, 2023
Liability For Expenses	95.39	119.70
Other Payables	446.19	572.29
<b>Total other current liabilities</b>	<b>541.58</b>	<b>691.99</b>

## 20. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	26.66	26.15
<b>Total other current liabilities</b>	<b>26.66</b>	<b>26.15</b>

## 21. Revenue from operations

	March 31, 2024	March 31, 2023
Sale of Goods	11,448.70	14,652.01
Sale of Services	150.00	150.00
	<b>11,598.70</b>	<b>14,802.01</b>

## 22. Other income

	March 31, 2024	March 31, 2023
Interest income	299.83	191.95
Provision no longer required, written back	-	0.34
Miscellaneous income	145.80	74.73
	<b>445.63</b>	<b>267.02</b>

## 23. Cost of raw Materials consumed

	March 31, 2024	March 31, 2023
Inventories of raw materials at beginning of the year	813.05	
Add:Purchases during the year	4,798.98	1,031.27
Less: Inventories of raw materials at end of the year	574.26	813.05
Add:other consumables	139.81	43.51
	<b>5,177.57</b>	<b>261.73</b>

## 24. Purchases of stock in trade

	March 31, 2024	March 31, 2023
Purchases of stock in trade	2,827.70	11,386.52
	<b>2,827.70</b>	<b>11,386.52</b>

## 25. Changes in inventories of stock-in-trade

	March 31, 2024	March 31, 2023
Inventory at the beginning of the year	2,892.10	2,083.90
Inventory at the end of the year	(3,156.07)	(2,892.10)
	<b>(263.96)</b>	<b>(808.21)</b>

## 26. Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries, wages, bonus and other allowances	1,066.85	853.19
Contribution to Provident Fund	78.25	47.97
Gratuity expenses (Refer note 14)	12.31	10.99
Staff welfare expenses	23.21	24.74
	<b>1,180.62</b>	<b>936.89</b>

## 27. Finance costs

	March 31, 2024	March 31, 2023
Interest expense on borrowing measured at amortised cost	602.93	410.78
Interest expense on lease liability (Refer Note: 4(b))	36.30	31.98
	<b>639.23</b>	<b>442.76</b>

**28. Depreciation and amortization expense**

	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (Refer Note: 3)	56.30	30.76
Depreciation of ROU Assets (Refer Note: 4(a))	107.72	72.51
Amortisation of other intangible assets (Refer Note: 5)	1.60	2.99
	<b>165.62</b>	<b>106.26</b>

**29. Other expenses**

	March 31, 2024	March 31, 2023
Rates and taxes	55.94	64.73
Repairs and maintenance - others	16.02	33.96
Website Maintenance	3.08	3.41
Freight charges	3.41	5.07
Insurance	8.94	10.96
Office maintenance	85.18	83.02
Business promotion expenses	2,144.22	1,909.58
Postage and courier	0.38	0.94
Power and fuel	34.86	28.88
Travelling and conveyance	30.67	24.75
Delivery charges	182.51	204.72
Legal and professional charges	28.04	26.79
Auditor's Remuneration *	24.50	26.00
Hosting expenses	30.33	25.57
Refunds related expenses	-	126.21
Communication expenses	16.43	14.22
Packing material	5.34	51.61
Due from collection agencies written off	8.58	-
Bank charges	28.43	30.71
Printing and stationery	-	0.05
Sales commission	31.02	42.24
Online platform fee	0.67	-
Packing Charges	2.91	44.68
Sitting fees	1.65	1.60
Miscellaneous expenses	84.13	28.22
	<b>2,827.24</b>	<b>2,787.92</b>

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

	March 31, 2024	March 31, 2023
As auditor:		
Statutory audit	18.00	18.00
In other capacity:	-	-
Limited Review	6.00	6.00
Certification Fees	2.00	2.00
	<b>26.00</b>	<b>26.00</b>

**30. Earnings/ Loss per share****Earnings per equity share (EPES)**

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

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

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

	March 31, 2024	March 31, 2023
Profit /(Loss) attributable to equity holders	(342.29)	(3.82)
Weighted average number of equity shares	12,232,566	10,956,344
Basic loss per share (INR)	(2.80)	(0.03)
Diluted loss per share (INR)	(2.80)	(0.03)



(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

## 31. Fair value measurements

### (i) Fair value hierarchy

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

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

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

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

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

	March 31, 2024		March 31, 2023	
	Level 1	Level 2	Level 1	Level 2
Financial assets				

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

### (iii) Financial instruments by category

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

	March 31, 2024		March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial Assets				
Trade receivables	-	2,701.19	-	2,955.89
Cash and cash equivalents	-	88.01	-	46.74
Other Bank balances	-	5,161.51	-	4,795.49
Other financial assets	-	24.79	-	125.46
<b>Total financial assets</b>	<b>-</b>	<b>7,975.50</b>	<b>-</b>	<b>7,923.58</b>
Financial liabilities				
Borrowings	-	6,340.30	-	5,491.52
Trade payables	-	1.51	-	22.05
lease liability	-	68.70	-	54.98
Other financial liabilities	-	541.58	-	691.99
<b>Total financial liabilities</b>	<b>-</b>	<b>6,952.09</b>	<b>-</b>	<b>6,260.54</b>

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

	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Trade receivables	2,701.19	2,701.19	2,955.89	2,955.89
Cash and cash equivalents	88.01	88.01	46.74	46.74
Other Bank balances	5,161.51	5,161.51	4,795.49	4,795.49
Other financial assets	24.79	24.79	125.46	125.46
<b>Total financial assets</b>	<b>7,975.50</b>	<b>7,975.50</b>	<b>7,923.58</b>	<b>7,923.58</b>
Financial liabilities				
Borrowings	6,340.30	6,340.30	5,491.52	5,491.52
Trade payables	1.51	1.51	22.05	22.05
lease liability	68.70	68.70	54.98	54.98
Other financial liabilities	541.58	541.58	691.99	691.99
<b>Total financial liabilities</b>	<b>6,952.09</b>	<b>6,952.09</b>	<b>6,260.54</b>	<b>6,260.54</b>

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

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

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

## 32. Financial instruments risk management

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

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

### A. Market risk:

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

#### Interest rate risk:

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

Particulars	March 31, 2024	March 31, 2023
Fixed rate instruments		
Financial assets	5161.51	4,795.48
Financial liabilities	6,340.30	5,491.52

#### Commodity rate risk:

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

### B. Credit risk

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

### C. Liquidity risk

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

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

Particulars	March 31, 2024	March 31, 2023
Current Assets	11,241.06	11,874.53
Current liabilities	6,980.08	6,287.76
Working Capital	4,260.98	5,586.77

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

#### Foreign Currency Risk

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

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

#### D. Excessive risk concentration

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

Financial assets that are neither past due or nor impaired

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

Trade and other receivables

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

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

### 33. Capital risk management

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

### 34. Employee benefits

#### (a) Gratuity

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

		As at March 31, 2024	As at March 31, 2023
i.	Change in		
	Projected benefit obligation at the beginning of the year	46.31	49.63
	Service cost	8.87	7.54
	Interest cost	3.44	3.46
	Actuarial (gain) / loss	3.06	3.21
	Settlements	-	-
	Benefits paid	-1.88	(17.53)
	Projected benefit obligation at the end of the year	59.80	46.30
ii.	Expense recognized in the statement of profit and loss		
	Service cost	8.87	7.54
	Interest cost	3.44	3.46
	Expected returns on plan assets	-	-
	Net gratuity costs	12.31	11.00
iii.	Expense recognized in OCI		
	Recognized net actuarial (gain)/ loss	3.06	3.21
iv.	Key actuarial assumptions		
	Financial assumptions		
	Discount rate	6.96%	6.57%
	Expected return on plan assets	-	-
	Withdrawal Rate	-	-
	Salary escalation rate	7.00%	7.00%
	Demographic assumptions	For Service 4 years and below 30%	"For Service 4 years and below 30%"
		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

		March 31, 2024	March 31, 2023
v.	Sensitivity Analysis		
	Projected defined benefit obligation	(7.83)	36.96
	Delta effect of +1% change in discount rate	9.58	(3.77)
	Delta effect of -1% change in discount rate	7.72	6.40
	Delta effect of +1% change in salary escalation rate	(6.37)	4.76
	Delta effect of -1% change in salary escalation rate	0.79	(3.78)
	Delta effect of +1% change in employee turnover rate	(0.92)	(0.06)
vi.	Maturity analysis of projected benefit obligation		
	1 year	1.33	1.07
	2 to 5 years	6.97	5.62
	More than 5 years	205.33	158.56

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

### 33. Related Party disclosures

(a) Names of related parties and description of relationship as identified and certified by the Group:

#### Holding Company

Palred Technologies Limited

#### Entity under common control

##### Indian

Palred Electronics Private Limited

Palred Retail Private Limited

Palred Technology Services Private Limited

##### Foreign

Palred Online Bilism Teknolojileri Ticaret Anonim Sirketi, Turkey

Palred Electronics Limited, Hong Kong

Palred Technology Shenzhen Company Ltd, China

#### Key Management Personnel (KMP)

Mr. Pinekalapati Harish Naidu, CFO

Mrs. Shruti Rege, Company Secretary

Ms. Supriya Reddy

Ms. Stuthi Reddy

(b) Transactions with related parties:

		For the year ended March 31, 2024	For the year ended March 31, 2023
Mrs. Palem Supriya Reddy	Remuneration*	15.00	15.00
Mrs. Palem Supriya Reddy	Reimbursement of expenses	0.94	1.16
Mr. Pinekalapati Harish Naidu	Salaries including bonuses	40.00	35.00
Mr. Pinekalapati Harish Naidu	Reimbursement of expenses	-	0.19
Mrs. Shruti Rege	Salaries including bonuses	10.00	8.63
Ms. Stuthi Reddy	Rent	6.00	8.00

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

(c) Balances receivable/(payables)

	March 31, 2024	March 31, 2023
Ms. Stuthi Reddy	(0.54)	(0.74)

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

### 35. Contingent liabilities and pending litigations

	As at March 31, 2024	As at March 31, 2023
(a) Claim against company not acknowledged as debt - (GST)		
Assessment year 2022-23 **	68.68	68.68

Note:

\*\* The Palred had also received demand cum showcause notice from GST department for GST payable on verification of TRAN-1 document with demand amounting to Rs.68,68,250.

The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to the financial statements in this regard.

### 36. Segment reporting

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

### 37. Details of Benami Property held

- The group do not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

### 38. Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

The group do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### 39. Compliance with number of layers of companies

The group have complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

### 40. Utilisation of Borrowed funds and share premium:

- The group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 41. Undisclosed income

The Group do not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### 42. Corporate Social Responsibility

Provision of Section 135 of the Act is not Applicable to the Company as the Company's net worth is below Rs. 500 crore, turnover is below Rs. 1,000 crore and net profit is less than Rs. 5 crore during immediately preceding financial year.

### 43. Details of Crypto Currency or Virtual Currency

The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

### 44. Events after the reporting period

There has been no significant subsequent events after the reporting period requiring either disclosure or adjustment to the reported financial statements.



Palred Technologies Limited

(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

**45.** The consolidated financial statements are approved for issue by the Company's Board of Directors on May 27, 2024.

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

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

**Mukesh Kumar Pugalia**  
Partner  
Membership No: 221387

Place: Hyderabad  
Date: May 27, 2024

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

**P. Supriya Reddy**  
Chairperson & Managing Director  
DIN: 00055870

**Pinekalapati Harish Naidu**  
Chief Financial Officer

**S.Vijaya Saradhi**  
Director  
DIN: 03089889

**Shruti Rege**  
Company Secretary  
Membership No. A43523





pTron



Scan it to visit:  
[pTron@amazon store page](#)

**LIVE. LIFE. LOUD.**

