

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Palred Technologies Limited**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Palred Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, 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 a summary of significant accounting policies 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 based on consideration of reports of other auditors on separate financial statements 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, 2023, 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 in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SA's 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 other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

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





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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term 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 including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the 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 the Group.

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

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

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

## **Other Matters**

- a. We did not audit the financial statements of three subsidiaries whose financial information reflect total assets of Rs. 123.31 Lakhs as at March 31, 2023, total revenues of Rs. 208.89 Lakhs and net cash flows amounting to Rs. 13.30 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 profit (including other comprehensive income) of Rs. 18.18 Lakhs for the year ended March 31, 2023, 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 entities 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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

## 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 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, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 35 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.





# MSKA & Associates

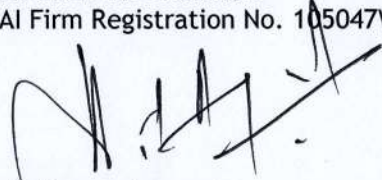
Chartered Accountants

- 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 the other auditors of such subsidiaries respectively that, 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 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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 the other auditors of such subsidiaries respectively that, 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.

- v. The Company has neither declared not paid any dividend during 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 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 issued by the statutory auditors 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



Amit Kumar Agarwal  
Partner  
Membership No. 214198  
UDIN: 23214198BGXCRB2951

Place: Hyderabad  
Date: 27<sup>th</sup> May 2023



## 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.





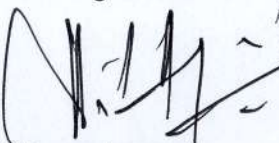
# MSKA & Associates

Chartered Accountants

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, 2023 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

  
Amit Kumar Agarwal  
Partner  
Membership No. 214198  
UDIN: 23214198BGXCRB2951



Place: Hyderabad  
Date: 27<sup>th</sup> May 2023



## **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, 2023.]

### **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, 2023, 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, 2023, 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.

#### **Auditor's 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, its associate companies and jointly controlled 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.





# MSKA & Associates

Chartered Accountants

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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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, its associate companies and jointly controlled companies, which are companies 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  
ICA Firm Registration No. 105047W

Amit Kumar Agarwal  
Partner  
Membership No. 214198  
UDIN: 23214198BGXCRB2951



Place: Hyderabad  
Date: 27<sup>th</sup> May, 2023



**Palred Technologies Limited**

**Standalone Balance Sheet as at 31 March 2023**

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

	Note	As at '31 March 2023	As at '31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4.03	5.32
Right of Use Assets	4 (a)	22.47	14.29
<b>Financial assets</b>			
Investments	5	1,300.65	1,198.14
Other non-current assets	6	310.90	275.60
<b>Total non-current assets</b>		<b>1,638.05</b>	<b>1,493.35</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7	5.96	1.83
Bank balances other than cash and cash equivalent	8	4,795.48	2,368.01
Other financial assets	9	116.59	11.18
Other current assets	10	0.39	0.66
<b>Total current assets</b>		<b>4,918.42</b>	<b>2,381.68</b>
<b>Total assets</b>		<b>6,556.47</b>	<b>3,875.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	1,223.26	973.26
Other equity	12	5,244.76	2,819.08
<b>Total equity</b>		<b>6,468.02</b>	<b>3,792.34</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	4 (b)	19.51	7.73
Provisions	13	8.10	14.92
<b>Total non-current liabilities</b>		<b>27.61</b>	<b>22.65</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	4 (b)	4.29	7.12
Other financial liabilities	14	53.52	49.56
Other current liabilities	15	2.77	2.98
Provisions	13	0.26	0.38
<b>Total current liabilities</b>		<b>60.84</b>	<b>60.04</b>
<b>Total liabilities</b>		<b>88.45</b>	<b>82.69</b>
<b>Total equity and liabilities</b>		<b>6,556.47</b>	<b>3,875.03</b>

See accompanying notes to the financial statements

1-44

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

As per our report of even date

For **MSKA & Associates**

Chartered Accountants

Firm Registration No. 105047W

Amit Kumar Agarwal  
Partner  
Membership No: 214198

Place: Hyderabad  
Date: May 27, 2023



For and on behalf of the Board of Directors of

**Palred Technologies Limited**

CIN: L72200TG1999PLC033131

Supriya Reddy  
Chairperson & Managing Director  
DIN: 00055870

Place: Hyderabad  
Date: May 27, 2023

Pradeep Harish Naidu  
Chief Finance Officer

Place: Hyderabad  
Date: May 27, 2023

S. Vijaya Saradhi  
Director  
DIN: 03089889

Place: Hyderabad  
Date: May 27, 2023

Shruti Rege  
Company Secretary  
Membership No. A43523

Place: Hyderabad  
Date: May 27, 2023





**Palred Technologies Limited**  
**Standalone Statement of Profit and Loss for the year ended 31 March 2023**  
(All Amounts are in Indian Rupees in Lakhs, except share data or unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	16	150.00	150.00
Other income	17	191.78	70.22
<b>Total income</b>		<b>341.78</b>	<b>220.22</b>
<b>Expenses</b>			
Employee benefits expense	18	79.67	101.44
Finance costs	19	2.04	1.42
Depreciation and amortization expense	20	6.02	8.97
Other expenses	21	81.03	100.07
<b>Total expenses</b>		<b>168.76</b>	<b>211.90</b>
<b>Profit /(Loss) before exceptional item</b>		<b>173.02</b>	<b>8.32</b>
Exceptional item	22	102.51	392.51
<b>Profit /(Loss) before tax</b>		<b>275.53</b>	<b>400.83</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability		0.15	0.36
<b>Other comprehensive income for the year, net of tax</b>		<b>0.15</b>	<b>0.36</b>
<b>Total comprehensive income for the year</b>		<b>275.68</b>	<b>401.19</b>
<b>Earnings per equity share</b>			
Basic earnings per equity share		2.51	4.12
Diluted earnings per equity share		2.51	4.10
See accompanying notes to the financial statements	1-44		

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

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

Amit Kumar Agarwal  
Partner

Membership No: 214198

Place: Hyderabad

Date: May 27, 2023



For and on behalf of the Board of Directors of

Palred Technologies Limited

CIN: L72200TG1999PLC033131

Supriya Reddy  
Chairperson & Managing Director  
DIN: 00055870

Place: Hyderabad  
Date: May 27, 2023

Pinekalapati Harish Naidu  
Chief Finance Officer

Place: Hyderabad  
Date: May 27, 2023

S. Vijaya Saradhi  
Director  
DIN: 03089889

Place: Hyderabad  
Date: May 27, 2023

Shruti Rege  
Company Secretary  
Membership No. A43523

Place: Hyderabad  
Date: May 27, 2023





**Palred Technologies Limited**

**Statement of standalone cash flows for the year ended 31 March 2023**

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Cash flow from operating activities</b>		
Loss before tax	275.53	400.83
Adjustments for:		
Depreciation and amortization expenses	6.02	8.97
Dividend on Mutual Fund	-	(0.20)
Finance cost	2.04	1.42
Interest income	(191.78)	(70.02)
Impairment towards investment in subsidiaries	(102.51)	(392.52)
<b>Operating loss before working capital changes</b>	<b>(10.70)</b>	<b>(51.52)</b>
<b>Changes in working capital</b>		
Decrease/ (increase) in trade receivables	-	0.83
(Decrease)/ increase in other current liabilities	(0.21)	(13.83)
(Decrease)/ increase in non-current liabilities	3.96	(8.75)
(Decrease)/Increase in provisions	(6.79)	1.83
Decrease/ (increase) in other financial assets	(105.41)	116.43
Decrease/(increase) in other current assets	0.27	1.35
Decrease/ (Increase) in non-current assets	-	1.74
<b>Cash generated used in operations</b>	<b>(118.88)</b>	<b>48.08</b>
Income Tax	35.30	21.90
<b>Net cash flows used in operating activities (A)</b>	<b>(154.18)</b>	<b>26.18</b>
<b>Cash flow from Investing activities</b>		
Net proceeds from mutual funds	-	22.95
Dividend income from mutual funds	-	0.20
Net proceeds from fixed deposits	(2,427.47)	(920.38)
Interest received	191.78	78.29
<b>Net cash flow from investing activities (B)</b>	<b>(2,235.69)</b>	<b>(818.94)</b>
<b>Cash flow from Financing activities</b>		
Money received against share warrants	2,400.00	800.00
Interest paid on lease liability	(2.04)	(1.42)
Principal paid on lease liability	(3.96)	(8.00)
<b>Net cash flow from financing activities (C)</b>	<b>2,394.00</b>	<b>790.58</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>4.13</b>	<b>(2.18)</b>
Cash and cash equivalents at the beginning of the year	1.83	4.01
<b>Cash and cash equivalents at the end of the year</b>	<b>5.96</b>	<b>1.83</b>
<b>Cash and cash equivalents comprise</b>		
Balances with banks		
On current accounts	5.64	1.81
Cash on hand	0.32	0.02
<b>Total cash and bank balances at end of the year</b>	<b>5.96</b>	<b>1.83</b>

See accompanying notes to the financial statements

1-44

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

As per our report of even date

For **MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047V

**Amit Kumar Agarwal**

Partner

Membership No: 214198

Place: Hyderabad

Date: May 27, 2023

For and on behalf of the Board of Directors of

**Palred Technologies Limited**

CIN: L72200TG1999PLC033131

**Supriya Reddy**

Chairperson & Managing Director

DIN: 00055870

Place: Hyderabad

Date: May 27, 2023

**Pinekalapati Harish Naidu**

Chief Finance Officer

Place: Hyderabad

Date: May 27, 2023

**S. Vijaya Saradhi**

Director

DIN: 03089889

Place: Hyderabad

Date: May 27, 2023

**Shruti Rege**

Company Secretary

Membership No: A43523

Place: Hyderabad

Date: May 27, 2023





**Palred Technologies Limited**

**Statement of changes in equity for the year ended 31 March 2023**

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

**(A) Equity share capital**

Equity shares of Rs. 10 each issued, subscribed and fully paid  
Opening  
Add: issue during the year  
Closing

As at 31 March 2023		As at 31 March 2022	
No. of shares	Amount	No. of shares	Amount
9,732,566	973.26	9,732,566	973.26
2,500,000	250.00	-	-
12,232,566	1,223.26	9,732,566	973.26

**(B) Other equity**

	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 1 April 2021	142.80	6,720.30	1,325.24	(6,567.19)	(3.26)	-	1,617.89
Profit / (Loss) for the year	-	-	-	400.83	-	-	400.83
Other comprehensive income/ (loss)	-	-	-	-	0.36	-	0.36
Money received against share warrants	-	-	-	-	-	800.00	800.00
Balance as at 31 March 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)	-	-	-	-	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 31 March 2023	142.80	9,670.30	1,325.24	-5,890.83	(2.75)	-	5,244.76

See accompanying notes to the financial statements

1-44

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

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

Amit Kumar Agarwal  
Partner  
Membership No: 214198

Place: Hyderabad  
Date: May 27, 2023



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

Supriya Reddy  
Chairperson & Managing Director  
DIN: 00055870

Place: Hyderabad  
Date: May 27, 2023

Prakashapati Harish Naidu  
Chief Finance Officer

Place: Hyderabad  
Date: May 27, 2023



S. Vijaya Saradhi  
Director  
DIN: 03089889

Place: Hyderabad  
Date: May 27, 2023

Shruti Rege  
Company Secretary  
Membership No: A43523

Place: Hyderabad  
Date: May 27, 2023



## Palred Technologies Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

#### 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.

The Board of Directors approved the Standalone financial statements for the year ended 31 March 2023 and authorised for issue on 27 May 2023.

#### 2 Basis of preparation of standalone financial statements

##### Statement of Compliance with Ind AS

These financial statements 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These financial statements have been prepared for the Company as a going concern on the basis of relevant IND AS that are effective at the Company's annual reporting date 31 March 2023.

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

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

##### (i) Use of estimates and judgements

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

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

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

##### (ii) Summary of significant accounting policies

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

###### a. Functional Currency

The standalone financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company. All financial information presented in Indian 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.





**Paired Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

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

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

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

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

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

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

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

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

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

**d. Intangible assets**

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

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

**e. Impairment**

*Impairment of non-financial assets*

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

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

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

*Impairment of financial assets*

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

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

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





**Paired Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**f. 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 'loans and borrowings' in the statement of financial position. (Refer note 4).

**Short-term leases and leases of low-value assets**

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

**g. Financial Instruments**

**Initial Recognition and measurement**

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

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

**Classification and subsequent measurement**

**Financial Assets**

On initial recognition, a financial asset is classified as

- 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.





## Paired Technologies Limited

### Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

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

#### *Equity investment*

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

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

#### *FVTPL*

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

#### *Financial liabilities*

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

#### *De-recognition*

##### *Financial assets*

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

##### *Financial liabilities*

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

#### *Offsetting of financial instruments*

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

#### *Derivative financial instruments and hedge accounting*

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

#### *Cash and cash equivalents*

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

#### *Dividend distribution to equity holders of the Company*

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

#### **h. Foreign currency transactions**

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

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





**Palred Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

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

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

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

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

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

**j. Revenue recognition**

The Company has adopted Ind AS 115- Revenue from Contracts with customers, using modified retrospective application method with effect from 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.

*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.

**k. Retirement and other employee benefits**

*Defined contribution plan*

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

*Defined benefit plan*

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

*Short-term employee benefits*

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

**l. Taxes**

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

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

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

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





**Paired Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

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

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

As at 31 March 2023 and 31 March 2022, the Company has deferred tax asset on account of unabsorbed business loss, unabsorbed tax depreciation and other items, which have not been recognized on the grounds of prudence. Consequently, there is no deferred tax asset or liability recorded in the financial statements as at reporting periods presented.

**m. Provisions, contingent liabilities and contingent assets**

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

Contingent liability is disclosed for:

- i. Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

**n. Cash flow statement**

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

**o. Exceptional Items**

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

**p. Earnings per share**

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

**q. Contributed equity**

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

**r. Standards (including amendments) issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April 2023:

Below is a summary of such amendments:

**(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements**

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.





**Paired Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 Income taxes**

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

**s. Standards that became effective during the year**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 01 April 2022 :

**References to the Conceptual Framework - Amendments to Ind AS 103**

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

**Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16**

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

These amendments had no impact on the year-end financial statements of the Company as there were no sales of such items.

**Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37**

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Company, prior to the application of the amendments, did not have any onerous contracts.

As a result of the amendments, certain other directly related costs have now been included by the Company in determining the costs of fulfilling the contracts and the company does not expect the amendment to have any significant impact in its financial statement.





**Paired Technologies Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

**3 Property, plant and equipment**

	Leasehold Improvement	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Total
<b>Gross carrying value</b>						
Balance as at 31 March 2021	3.16	0.34	37.55	6.08	5.74	52.87
Additions	-	-	-	-	-	-
Disposals/retirement	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>3.16</b>	<b>0.34</b>	<b>37.55</b>	<b>6.08</b>	<b>5.74</b>	<b>52.87</b>
Additions	-	-	-	-	-	-
Disposals/retirement	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>3.16</b>	<b>0.34</b>	<b>37.55</b>	<b>6.08</b>	<b>5.74</b>	<b>52.87</b>
<b>Accumulated depreciation</b>						
Balance as at 31 March 2021	3.16	0.27	30.99	5.67	5.63	45.72
Additions	-	0.02	1.70	0.06	0.05	1.83
Disposals/retirement	-	-	-	-	-	-
<b>Balance as at 31 March 2022</b>	<b>3.16</b>	<b>0.29</b>	<b>32.69</b>	<b>5.73</b>	<b>5.68</b>	<b>47.55</b>
Charge for the year	-	0.01	1.26	0.02	-	1.29
Additions	-	-	-	-	-	-
Disposals/retirement	-	-	-	-	-	-
<b>Balance as at 31 March 2023</b>	<b>3.16</b>	<b>0.30</b>	<b>33.95</b>	<b>5.75</b>	<b>5.68</b>	<b>48.84</b>
<b>Net carrying value as at 31 March 2022</b>	<b>-</b>	<b>0.05</b>	<b>4.86</b>	<b>0.35</b>	<b>0.06</b>	<b>5.32</b>
<b>Net carrying value as at 31 March 2023</b>	<b>-</b>	<b>0.04</b>	<b>3.60</b>	<b>0.33</b>	<b>0.06</b>	<b>4.03</b>





**Palred Technologies Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**4 (a) Right of Use Asset as at 31 March 2023**

Particulars	Category of ROU Asset	Total
	Buildings	
Balance as at 1 April 2022	14.29	14.29
Additions	12.91	12.91
Deletions	-	-
Depreciation	4.73	4.73
Balance as at 31 March 2023	22.47	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 31 March 2023**

Particulars	As at 31 March 2023
i) Non-Current	19.51
ii) Current	4.29
<b>Total</b>	<b>23.80</b>

The movement in lease liabilities during the year ended 31 March 2023 is as follows:

Particulars	As at 31 March 2023
Balance as at 1 April 2022	14.85
Additions	12.91
Finance cost accrued during the year	2.04
Deletions	-
Payment of lease liabilities	6.00
Balance as at 31 March 2023	23.80

The details of the contractual maturities of lease liabilities as at 31 March 2023 on an undiscounted basis as follows:

Particulars	As at 31 March 2023
Less than one year	4.29
One year to three years	10.11
More than three years	9.40
<b>Total</b>	<b>23.80</b>





**Palred Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**5 Financial Assets- Investments**

	As at 31 March 2023	As at 31 March 2022
<b>A. Non-Current</b>		
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	27,206,574	27,206,574
Par value of each share	10.00	10.00
% of holding	78.17%	78.17%
Gross Carrying Amount	1,198.14	453.00
Reversal of Impairment towards investments (Refer Note below)	(102.51)	(745.14)
Net Carrying Amount	1,300.65	1,198.14
ii) Palred Retail Private Limited, principal place of business at Hyderabad, India		
Number of shares	3,040,000	3,040,000
Par value of each share	10.00	10.00
% of holding	-	97.81%
Gross Carrying Amount	-	304.00
Impairment towards investments (Refer Note below)	-	304.00
Net Carrying Amount	-	-
iii) Palred Technology Services Private Limited, principal place of business at Hyderabad, India		
Number of shares	13,010,000	13,010,000
Par value of each share	10.00	10.00
% of holding	100.00%	100.00%
Gross Carrying Amount	48.62	48.62
Impairment towards investments (Refer Note below)	-	48.62
Net Carrying Amount	-	-
<b>Total</b>	<b>1,300.65</b>	<b>1,198.14</b>
<b>Note:</b>		
Aggregate amount of quoted investments	-	-
Aggregate book value of unquoted investments	1,300.65	1,198.14
Aggregate amount of impairment of value in investment	(102.51)	(392.51)

**Note:**

Based on the assessment of the carrying value of the investments, during the financial year, the Company had reversed its impairment of Rs. 102.51 lakhs which was provided in the earlier period and the same has been classified as exceptional item.





**Palred Technologies Limited****Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

	As at 31 March 2023	As at 31 March 2022
<b>6 Other non-current assets</b>		
Advance tax (net of provision)	310.90	275.60
<b>Total other non-current assets</b>	<b>310.90</b>	<b>275.60</b>
<b>7 Cash and cash equivalents</b>		
Cash on hand	0.32	0.02
Balances with banks		
On current accounts	5.64	1.81
	<b>5.96</b>	<b>1.83</b>
<b>8 Bank balances other than Cash and cash equivalent</b>		
Balance in unpaid capital reduction account	-	13.60
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	4,795.48	2,354.41
	<b>4,795.48</b>	<b>2,368.01</b>
<b>Note:</b>		
The Subsidiary entities (Palred Electronics Private Limited and Palred Technology Services Private Limited) has taken the over draft facilities from ICICI Bank against the Fixed deposits.		
<b>9 Other financial assets</b>		
Interest accrued but not due on fixed deposits	116.59	11.18
	<b>116.59</b>	<b>11.18</b>
<b>10 Other current assets</b>		
Advance recoverable	0.39	0.66
<b>Total</b>	<b>0.39</b>	<b>0.66</b>



**Paired Technologies Limited**

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

**11 Share capital**

**Equity shares**

Authorized

Equity shares of Rs. 10 each  
14% Preference Shares of Rs.100 each

Issued, subscribed and paid up

Equity shares of Rs.10 each fully paid  
Total

As at 31 March 2023		As at 31 March 2022	
Number of shares	Amount	Number of shares	Amount
28,038,800	2,803.88	28,038,800	2,803.88
696,120	696.12	696,120	696.12
12,232,566	1,223.26	9,732,566	973.26
12,232,566	1,223.26	9,732,566	973.26

**Reconciliation of equity shares**

**(a) outstanding at the beginning and at the end of the year**

Balance at the beginning of the year  
Add: Issued during the year  
Balance at the end of the year

For the period ended 31 March 2023		For the period ended 31 March 2022	
Number of shares	Amount	Number of shares	Amount
9,732,566	973.26	9,732,566	973.26
2,500,000	250.00	-	-
12,232,566	1,223.26	9,732,566	973.26

**(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.

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

Name of the equity shareholder	As at 31 March 2023		As at 31 March 2022	
	Number	% holding	Number	% holding
Equity shares of Rs. 10 each fully paid				
Stuthi Reddy	1,000,000	8.17%	1,000,000	10.27%
Supriya Reddy Palem	1,602,261	13.10%	1,000,000	10.27%
Sanhita Reddy	1,000,000	8.17%	1,000,000	10.27%
Passage to India Master Fund Limited	701,586	5.74%	701,586	7.21%
Ashish Dhawan	678,189	5.54%	678,189	6.97%
Palem Srikanth Reddy	-	0.00%	602,261	6.19%
Mathew Cyriac	2,500,000	20.44%	-	0.00%

**Details of Shares held by Promoters at the end of the year**

S. No	Promoter name	As at 31 March 2023			As at 31 March 2022		
		No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
1	Palem Srikanth Reddy	-	0.00%	-	602,261	6.19%	-
2	Stuthi Reddy	1,000,000	8.17%	-	1,000,000	10.27%	-
3	Supriya Reddy Palem	1,602,261	13.10%	-	1,000,000	10.27%	-
4	Sanhita Reddy	1,000,000	8.17%	-	1,000,000	10.27%	-
5	Soujanya Reddy Parvatha	46,619	0.38%	-	46,619	0.48%	-
6	P Soujanya Reddy	25,000	0.20%	-	25,000	0.26%	-
7	Palem Srinivas Reddy	2,600	0.02%	-	2,600	0.03%	-
8	Dakshayani Reddy	600	0.01%	-	600	0.01%	-
Total		3,677,080	30.05%	-	3,677,080	37.78%	-

Note: Due to demise of Mr. Palem Srikanth Reddy during the FY 2020-21, the shares held on his name were transferred to his nominee, Mrs. Supriya Reddy Palem.

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

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

Investor Education and Protection Fund (IEPF) Pursuant to the provisions of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the unpaid or unclaimed dividend and shares in respect of which dividend entitlements are remaining unpaid or unclaimed for a period of seven consecutive years or more by any shareholder, to IEPF. Accordingly, the Company has transferred the Unpaid capital reduction amount of Rs. 13.59 Lac to investor's education and protection fund(IEPF).

**12 Other equity**

**Reserves and surplus**

Capital Reserve  
Securities premium  
General reserve  
Retained earnings  
Money Received Against share warrants\*  
Total reserves and surplus

As at 31 March 2023	As at 31 March 2022
142.80	142.80
9,670.30	6,720.30
1,325.24	1,325.24
(5,890.83)	(6,166.36)
-	800.00
5,247.51	2,821.98

\* The Company allotted Share warrants to the Allottee, Mr. Mathew Cyriac in the Board Meeting held on 19th January 2022 and received 25% of the total Issue Price of Rs. 3,200.00 Lakhs i.e. Rs. 800.00 Lakhs on 18th January 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, 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.

**Other Comprehensive Income**

Remeasurement of defined benefit plan

(2.75) (2.90)

**Total other comprehensive income**

(2.75) (2.90)

**Total Other equity**

5,244.76 2,819.08

Nature and Purpose of reserve:





**Paired Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**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.

**13 Provisions**

	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
Gratuity (refer note (a))	8.10	14.92
	8.10	14.92
<b>Current</b>		
Gratuity (refer note (a))	0.26	0.38
	0.26	0.38

**(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 31 March 2023	As at 31 March 2022
<b>i. Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	15.30	13.82
Service cost	1.23	1.22
Interest cost	1.07	0.95
Actuarial (gain) / loss	(0.15)	(0.36)
Benefits paid	(9.09)	(0.34)
Projected benefit obligation at the end of the year	8.36	15.29
<b>ii. Expense recognized in the statement of profit and loss</b>		
Service cost	1.23	1.22
Interest cost	1.07	0.95
Expected returns on plan assets	-	-
Net gratuity costs	2.30	2.17
<b>iii. Expense recognized in OCI</b>		
Recognized net actuarial (gain)/ loss	(0.15)	(0.36)
<b>iv. Key actuarial assumptions</b>		
Financial assumptions		
Discount rate	7.50%	6.98%
Salary escalation rate	7.00%	7.00%
Demographic assumptions		
Mortality rate as per Indian Assured Lives Mortality 2012-14(Urban) table	For Service 4 years and below 30%	For Service 5 years and above 2%
<b>v. Sensitivity Analysis</b>		
Projected defined benefit obligation		
Delta effect of +1% change in discount rate	(0.99)	(1.49)
Delta effect of -1% change in discount rate	1.17	1.72
Delta effect of +1% change in salary escalation rate	0.37	0.90
Delta effect of -1% change in salary escalation rate	(0.34)	(0.86)
Delta effect of +1% change in employee turnover rate	0.45	0.25
Delta effect of -1% change in employee turnover rate	(0.52)	(0.29)
<b>vi. Maturity analysis of projected benefit obligation</b>		
1 year	0.26	0.38
2 to 5 years	1.22	1.78
6 to 10 years	1.93	14.30
More than 10 years	22.03	18.87

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.



Paired Technologies Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023

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

14 Other financial liabilities

Current

Unclaimed capital reduction (Refer Notes: 11(e) )

Other Payables

Total other financial liabilities

As at 31 March 2023	As at 31 March 2022
-	13.60
53.52	35.96
53.52	49.56

15 Other current liabilities

Statutory dues payable

Balances with government authorities

Total other current liabilities

As at 31 March 2023	As at 31 March 2022
1.42	1.81
1.35	1.17
2.77	2.98





**Palred Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

<b>16 Revenue from operations</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Sale of Services:		
Management fees	150.00	150.00
<b>Total revenue from operations</b>	<b>150.00</b>	<b>150.00</b>
<b>17 Other income</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Interest Income	191.78	70.02
Dividend From Mutual Funds	-	0.20
<b>Total other income</b>	<b>191.78</b>	<b>70.22</b>
<b>18 Employee benefits expense</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Salaries, wages, bonus and other allowances	76.35	97.65
Contribution to Provident Fund	1.02	1.21
Gratuity expenses (Refer note 13)	2.30	2.17
Staff welfare expenses	-	0.41
	<b>79.67</b>	<b>101.44</b>
<b>19 Finance costs</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Interest Expense on lease liability	2.04	1.42
	<b>2.04</b>	<b>1.42</b>
<b>20 Depreciation and amortization expense</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Depreciation of property, plant and equipment	1.29	1.83
Depreciation of ROU Assets	4.73	7.14
	<b>6.02</b>	<b>8.97</b>
<b>21 Other expenses</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Rates and taxes	13.82	25.81
Office expenses	12.33	13.72
Communication, broadband and internet expenses	0.42	0.41
Insurance	0.04	0.12
Travelling and conveyance	2.42	1.38
Legal and professional charges	8.01	16.39
Auditor's Remuneration (Refer Note i)	16.00	14.00
Sitting Fees	1.60	2.35
Hosting Expenses	25.57	24.48
Advertisement	0.81	0.99
Miscellaneous expenses	0.01	0.42
	<b>81.03</b>	<b>100.07</b>
Note i : The following is the break-up of Auditors remuneration (exclusive of Goods and service tax)		
	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
As auditor:		
Statutory audit	8.00	8.00
Limited Review	6.00	6.00
Certification Fees	2.00	-
<b>Total</b>	<b>16.00</b>	<b>14.00</b>
<b>22 Exceptional items</b>	<b>For the year ended 31 March 2023</b>	<b>For the year ended 31 March 2022</b>
Impairment Cost	(102.51)	(392.51)
	<b>(102.51)</b>	<b>(392.51)</b>

**Note:**

Based on the assessment of the carrying value of the investments, during the financial year, the Company had reversed it's impairment of Rs. 102.51 lakhs which was provided in the earlier period and the same has been classified as exceptional item.



**Paired Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**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:

	As at 31 March 2023	As at 31 March 2022
Loss attributable to equity holders	275.53	400.83
Weighted average number of equity shares	1,09,56,310	97,32,566
Adjusted number of shares for Dilutive EPS	1,09,56,310	97,85,775
Basic earnings/(loss) per share (INR)	2.51	4.12
Diluted earnings/(loss) per share (INR)	2.51	4.10

**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.

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 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial Assets</b>				
Cash and cash equivalents	-	5.96	-	1.83
Other Bank balances	-	4,795.48	-	2,368.01
Other financial assets	-	116.59	-	11.18
<b>Total financial assets</b>	-	<b>4,918.03</b>	-	<b>2,381.02</b>
<b>Financial liabilities</b>				
lease liability	-	23.80	-	14.85
Other financial liabilities	-	53.52	-	49.56
<b>Total financial liabilities</b>	-	<b>77.32</b>	-	<b>64.41</b>

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 trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPL investments.

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

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

**25 Financial instruments risk management**

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

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

**A. Market risk:**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may 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.





**Palred Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**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 31 March 2023	As at 31 March 2022
Current Assets	4,918.42	2,381.68
Current liabilities	60.84	60.04
Working Capital	4,857.58	2,321.64

**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 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	Subsidiary
Palred Online Bilism Teknolojileri 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 Management Personnel
Mrs. Shruti Rege, Company Secretary		Key Management Personnel
Ms. Supriya Reddy		Key Management Personnel
Ms. Stuthi Reddy		Key Management Personnel

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

Related Party	Transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
Palred Technology Services Private Limited	Ecom Fulfilment Services	-	0.04
Palred Electronics Private Limited	Corporate guarantee	3,000.00	3,000.00
Palred Electronics Private Limited	Pledge of fixed deposits against working capital limits	4,290.57	2,129.81
Palred Technology Services Private Limited	Pledge of fixed deposits against working capital limits	188.07	224.60
Palred Electronics Private Limited	Management Fee	150.00	150.00
Mr. Pinekalapati Harish Naidu	Salaries including bonuses	40.00	35.00
Mr. Pinekalapati Harish Naidu	Reimbursement of expenses	0.04	0.19
Ms. Supriya Reddy	Salaries including bonuses	15.00	15.00
Ms. Supriya Reddy	Reimbursement of expenses	2.07	1.16
Mrs. Shruti Rege	Salaries including bonuses	9.31	8.63
Ms. Stuthi Reddy	Rent	6.00	8.00

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

	As at 31 March 2023	As at 31 March 2022
Palred Electronics Private Limited	32.35	(7.00)
Ms. Stuthi Reddy	(0.54)	-
Palred Retail Private Limited	(0.22)	-

**28 Contingent liabilities and pending litigations**

	As at 31 March 2023	As at 31 March 2022
Claim against company not acknowledged as debt - (Income Tax)		
Assessment year 2006-07 - refer note below	-	602.00

**Note:**

Pursuant to the income tax assessment for the financial year 2006-07 onwards, the Company had received various demands from the income tax authorities in relation to the inadmissibility of certain expenditure in accordance with the provisions of the income tax law and compliances with the arm's length guidelines in relation to international transactions with associated enterprises. The management, on the basis of its internal assessment of the facts of the case, the underlying nature of transactions, the history of judgements made by the various appellate authorities and the necessary advice received from the independent expert engaged in this regard, is of the view that the probability of the case being settled against the Company is remote and accordingly do not foresee any adjustment to the financial statements in this regard. During the FY 2022-23, the Company received final refund order, dated 07 March 2023, hence no contingent liabilities disclosed.



**Palred Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**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:

- (a) 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
- (b) 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:

- (a) 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
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,





**Paired Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**37 Ratios**

S No.	Ratio	March 31, 2023		March 31, 2022		Ratio as on Friday, March 31, 2023	Ratio as on Thursday, March 31, 2022	Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	Numerator	Denominator				
(a)	Current Ratio	4,918.42	60.84	2,381.68	60.04	80.84	39.67	104%	Note 1(a)
(b)	Debt-Equity Ratio	NA	NA	NA	NA	NA	NA	NA	NA
(c)	Debt Service Coverage Ratio	283.59	8.04	411.22	9.42	35.27	43.65	19%	Note 1(b)
(d)	Return on Equity Ratio	275.53	6,468.02	400.83	3,792.34	4.26	10.57	60%	Note 1(b)
(h)	Net Capital Turnover Ratio	150.00	3,589.61	150.00	1,929.04	0.04	0.08	46%	Note 1(c)
(i)	Net Profit Ratio	275.53	150.00	400.83	150.00	1.84	2.67	31%	N/A
(j)	Return on Capital Employed	277.57	6,495.63	402.25	3,814.99	0.04	0.11	59%	Note 1(b)
(k)	Return on Investment	275.53	6,468.02	400.83	3,792.34	0.04	0.11	60%	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.



**Palred Technologies Limited**

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2023**

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

**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 The Code on Social Security 2020**

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

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

**42 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.

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

**44 Approval**

The above financial statements has been approved by the board of directors in their meeting held on May 27, 2023.

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

Amit Kumar Agarwal

Partner

Membership No: 214198

Place: Hyderabad

Date: May 27, 2023



For and on behalf of the Board of Directors

Palred Technologies Limited

CIN: L72200TG1999PLC033131

Supriya Reddy

Chairperson & Managing Director

DIN: 00055870

Place: Hyderabad

Date: May 27, 2023

Pinekalapati Harish Naidu

Chief Finance Officer

Place: Hyderabad

Date: May 27, 2023

S. Vijaya Saradhi

Director

DIN: 03089889

Place: Hyderabad

Date: May 27, 2023

Shruti Rege

Company Secretary

Membership No: A43523

Place: Hyderabad

Date: May 27, 2023





**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Palred Technologies Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Palred Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 a summary of significant accounting policies 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, 2023, and profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence 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, 2023. 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.





# MSKA & Associates

Chartered Accountants

Sr. 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. 2,720.66 Lakhs and has a carrying value of Rs. 1,300.65 Lakhs as on March 31, 2023. Based on the net worth and turnover of the Palred Electronics Pvt Ltd, management has not reversed the impairment amount of that was provided in earlier years. 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, 2023.</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 assesment.</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.





# MSKA & Associates

## Chartered Accountants

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.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending 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.





# MSKA & Associates

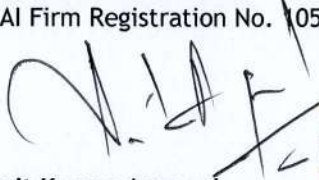
Chartered Accountants

- 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.

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.

- v. The company has neither declared nor paid any dividend during 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 of the Act and the rules thereunder.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

  
Amit Kumar Agarwal  
Partner  
Membership No. 214198  
UDIN: 23214198BGXCRA8164



Place: Hyderabad  
Date: May 27, 2023



## 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.
- 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.





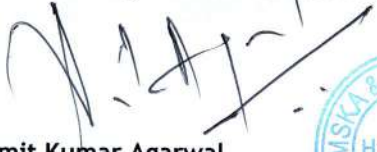
# MSKA & Associates

Chartered Accountants

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, 2023 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

  
Amit Kumar Agarwal  
Partner  
Membership No. 214198  
UDIN: 23214198BGXCRA8164



Place: Hyderabad  
Date: May 27, 2023

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PALRED TECHNOLOGIES LIMITED FOR THE YEAR ENDED MARCH 31, 2023.**

[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.





# MSKA & Associates

## Chartered Accountants

- 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, the outstanding dues relating to Sales Tax, Value Added Tax, Service Tax, Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Duty of Excise, cess or other statutory dues which have not been deposited on account of any dispute as follows:
- 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.





# MSKA & Associates

Chartered Accountants

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) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2023, accordingly the provisions stated in paragraph (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 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)(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.





# MSKA & Associates

Chartered Accountants

- (d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 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. Hence, reporting under paragraph (xx) of the Order is not applicable to the Company.
- 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

Amit Kumar Agarwal

Partner

Membership No. 214198

UDIN: 23214198BGXCRA8164



Place: Hyderabad

Date: May 27, 2023



**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, 2023.

**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, 2023 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, 2023, 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<sup>1</sup> 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.





# MSKA & Associates

Chartered Accountants

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.

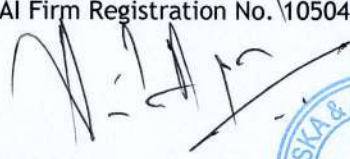
## Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

  
Amit Kumar Agarwal  
Partner  
Membership No. 214198  
UDIN: 23214198BGXCRA8164



Place: Hyderabad  
Date: May 27, 2023

Palred Technologies Limited  
Consolidated Balance Sheet as at 31 March 2023  
(All amount in INR in Lakhs , Except share data or unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	170.75	41.09
Right of Use Asset	4 (a)	516.35	188.82
Intangible assets	5	4.71	5.58
<b>Financial assets</b>			
Other financial assets	6	65.70	66.51
Other non-current assets	7	386.73	330.52
<b>Total non-current assets</b>		<b>1,144.24</b>	<b>632.52</b>
<b>Current assets</b>			
Inventories	8	2,971.14	2,181.09
<b>Financial assets</b>			
Trade receivables	9	2,955.89	1,376.24
Cash and cash equivalents	10	46.74	27.75
Bank balances other than cash and cash equivalents	11	4,795.48	2,377.13
Other financial assets	12	125.46	39.29
Other current assets	13	979.82	927.17
<b>Total current assets</b>		<b>11,874.53</b>	<b>6,928.67</b>
<b>Total assets</b>		<b>13,018.77</b>	<b>7,561.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	14	1,223.26	973.26
Other equity	15	4,753.22	2,608.47
<b>Equity attributable to owners</b>		<b>5,976.48</b>	<b>3,581.73</b>
<b>Non Controlling Interest</b>		<b>209.97</b>	<b>250.99</b>
<b>Total Equity</b>		<b>6,186.45</b>	<b>3,832.72</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease Liabilities	4 (b)	499.32	168.35
Other financial liabilities	16	-	25.00
Provisions	17	45.24	48.77
<b>Total non-current liabilities</b>		<b>544.56</b>	<b>242.12</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	5,491.52	3,147.38
Trade payables			
i)total outstanding dues of micro enterprises and small enterprises			
ii)total outstanding dues of creditors other than micro enterprise and small enterprise			
	19	22.05	56.38
Lease liability	4 (b)	54.98	39.57
Other financial liabilities	16	691.99	223.00
Other current liabilities	20	26.15	18.41
Provisions	17	1.07	1.61
<b>Total current liabilities</b>		<b>6,287.76</b>	<b>3,486.35</b>
<b>Total liabilities</b>		<b>6,832.32</b>	<b>3,728.47</b>
<b>Total equity and liabilities</b>		<b>13,018.77</b>	<b>7,561.19</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

Amit Kumar Agarwal

Partner

Membership No: 214198

Place: Hyderabad

Date: May 27, 2023

For and on behalf of the Board of Directors of

Palred Technologies Limited

CIN: L72200TG1999PLC033131

Supriya Reddy

Chairperson & Managing director

DIN:0005870

Place: Hyderabad

Date: May 27, 2023

Prakashapati Harish Naidu

Chief Finance Officer

Place: Hyderabad

Date: May 27, 2023

S.Vijaya Saradhi

Director

DIN: 03089889

Place: Hyderabad

Date: May 27, 2023

Shruti Rege

Company Secretary

Membership No: A43523

Place: Hyderabad

Date: May 27, 2023





**Palred Technologies Limited**

**Consolidated Statement of Profit and Loss for the year ended 31 March 2023**

(All amount in INR in Lakhs, Except share data or unless otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Income</b>			
Revenue from operations	21	14,802.01	12,758.77
Other income	22	267.02	103.91
<b>Total income</b>		<b>15,069.03</b>	<b>12,862.68</b>
<b>Expenses</b>			
Cost of material consumed		261.73	-
Purchase of stock-in-trade		11,386.52	9,824.09
Changes in inventories of stock-in-trade	23	(808.21)	(642.89)
Employee benefits expense	24	936.89	835.25
Finance cost	25	442.76	323.50
Depreciation and amortization expense	26	106.26	62.70
Other expenses	27	2,787.92	2,626.40
<b>Total expenses</b>		<b>15,113.87</b>	<b>13,029.05</b>
Profit before exceptional items		(44.84)	(166.37)
Exceptional items		-	-
<b>Loss for the period</b>		<b>(44.84)</b>	<b>(166.37)</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		11.48	7.82
		<b>11.48</b>	<b>7.82</b>
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability		(3.22)	1.47
		<b>(3.22)</b>	<b>1.47</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>8.26</b>	<b>9.29</b>
<b>Total comprehensive income for the year</b>		<b>(36.58)</b>	<b>(157.08)</b>
<b>Attributable to:</b>			
Owners of PTL		(3.82)	(171.43)
Non-controlling interests		(41.02)	5.06
<b>Profit is attributable to:</b>			
Owners of PTL		2.67	(164.04)
Non-controlling interests		(39.25)	6.95
<b>Other comprehensive income is attributable to:</b>			
Owners of PTL		6.49	7.39
Non-controlling interests		1.77	1.89
<b>Earnings per equity share</b>			
Basic earnings per equity share		(0.03)	(1.76)
Diluted earnings per equity share		(0.03)	(1.76)

See accompanying notes to the consolidated financial statements

1-46

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

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.: 105047W

Amit Kumar Agarwal

Partner

Membership No: 214198

Place: Hyderabad

Date: May 27, 2023

For and on behalf of the Board of Directors of

Palred Technologies Limited

CIN: L72200TG1999PLC033131

Supriya Reddy

Chairperson & Managing director

DIN: 00055870

Place: Hyderabad

Date: May 27, 2023

Pineelapathi Harish Naidu

Chief Finance Officer

Place: Hyderabad

Date: May 27, 2023

S. Vijaya Saradhi

Director

DIN: 03089889

Place: Hyderabad

Date: May 27, 2023

Shruti Rege

Company Secretary

Membership No: A43523

Place: Hyderabad

Date: May 27, 2023



**Palred Technologies Limited**

**Consolidated statement of cash flows for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>Cash flow from operating activities</b>		
Loss before tax	(44.84)	(166.37)
Adjustments for:		
Depreciation and amortization expenses	106.26	62.70
Dividend on Mutual Fund	-	(0.20)
Finance cost	442.76	323.50
Interest income	(191.95)	(76.66)
Unrealised Forex Gain, net	(10.68)	34.72
Balances written off	-	1.04
<b>Operating loss before working capital changes</b>	<b>301.55</b>	<b>178.73</b>
Changes in working capital		
(Decrease)/ increase in trade payables	(34.33)	(124.46)
Decrease/ (increase) in inventories	(790.05)	(697.96)
Decrease/ (increase) in trade receivables	(1,579.66)	338.87
(Decrease)/ increase in other current liabilities	7.74	0.96
(Decrease)/ increase in non-current liabilities	(25.31)	1.32
(Decrease)/ increase in provisions	(0.55)	0.76
Increase/ (decrease) in other financial liabilities	461.68	(68.52)
Decrease/ (increase) in other financial assets	(85.37)	91.93
Decrease/ (increase) in other current assets	(52.67)	(21.11)
<b>Cash generated used in operations</b>	<b>(1,796.97)</b>	<b>(299.48)</b>
Taxes paid	(35.30)	(22.25)
<b>Net cash flows used in operating activities (A)</b>	<b>(1,832.27)</b>	<b>(321.73)</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(160.96)	(14.06)
Net proceeds from mutual funds	-	22.95
Dividend income from mutual funds	-	0.20
Net proceeds from fixed deposits	(2,418.35)	(636.67)
Interest received	86.53	181.93
<b>Net cash flow from investing activities (B)</b>	<b>(2,492.78)</b>	<b>(445.65)</b>
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity share capital	2,400.00	800.00
Proceeds from short-term borrowings	2,344.15	360.66
Interest paid	(410.78)	(415.85)
<b>Net cash flow from financing activities (C)</b>	<b>4,333.37</b>	<b>744.81</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>8.31</b>	<b>(22.58)</b>
Cash and cash equivalents at the beginning of the year	27.75	85.05
Effect on exchange rates	10.68	(34.72)
<b>Cash and cash equivalents at the end of the year</b>	<b>46.74</b>	<b>27.75</b>





**Palred Technologies Limited**

**Consolidated statement of cash flows for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**Cash and cash equivalents comprise**

**Balances with banks**

On current accounts	15.68	23.30
Cash on hand	27.91	1.34
Fixed Deposit	3.15	3.11
<b>Total cash and bank balances at end of the year</b>	<b>46.74</b>	<b>27.75</b>

See accompanying notes to the consolidated financial statements

1-46

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

As per our report of even date

For **MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

  
**Amit Kumar Agarwal**  
Partner  
Membership No: 214198

Place: Hyderabad

Date: May 27, 2023

For and on behalf of the Board of Directors of

**Palred Technologies Limited**

CIN: L72200TG1999PLC033131

  
**Supriya Reddy**  
Chairperson & Managing director  
DIN:00055870

Place: Hyderabad

Date: May 27, 2023

  
**Pinekalapati Harish Naidu**  
Chief Finance Officer

Place: Hyderabad

Date: May 27, 2023

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

Place: Hyderabad

Date: May 27, 2023

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

Place: Hyderabad

Date: May 27, 2023



**Paired Technologies Limited**  
**Consolidated statement of changes in equity for the year ended 31 March 2023**  
(All amount in INR in Lakhs, Except share data or unless otherwise stated)

**(A) Equity share capital**

Equity shares of INR 10 each issued, subscribed and fully paid

	As at		As at	
	31 March 2023		31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Opening	9,732,566	973.26	9,732,566	973.26
Add: Issue during the year	2,500,000	250.00	-	-
Closing	12,232,566	1,223.26	9,732,566	973.26

**(B) Other equity**

	Reserves and surplus				Other Comprehensive Income			Non controlling interests	Total
	Capital Reserve	Security premium	General reserve	Retained earnings	Foreign currency translation reserve	Remeasurement of defined benefit plans	Total attributable to owners of parent		
Balance as at March 31, 2020	142.80	6,720.30	1,325.24	(6,462.45)	3.80	(4.36)	1,725.34	155.22	1,880.56
Issue of equity shares	-	-	-	-	-	-	-	-	-
Acquisition of additional interest in subsidiary Contribution to Non-controlling interests (NCI)	-	-	-	-	-	-	-	-	-
Net Loss for the year	-	-	-	251.35	(7.76)	5.84	251.35	90.69	342.04
Other comprehensive income (OCI)	-	-	-	(17.60)	-	-	(17.60)	-	(1.92)
Other adjustments	-	-	-	(17.60)	-	-	(17.60)	-	(17.60)
Balance as at March 31, 2021	142.80	6,720.30	1,325.24	(6,228.70)	(3.96)	1.48	1,957.17	245.91	2,203.06
Net Loss for the year	-	-	-	(171.43)	-	-	(171.43)	5.08	(166.35)
Other comprehensive income (OCI)	-	-	-	813.44	7.82	1.47	813.44	9.29	822.73
Other adjustments	-	-	-	813.44	-	-	813.44	-	813.44
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	2,859.45
Net Loss for the year	-	-	-	(3.82)	-	-	(3.82)	(41.02)	(44.84)
Other comprehensive income (OCI)	-	-	-	(809.69)	11.48	(3.22)	8.26	8.26	8.26
Other adjustments	-	-	-	(809.69)	-	-	(809.69)	-	(809.69)
Balance as at March 31, 2023	142.80	9,670.30	1,325.24	(6,400.20)	15.34	(0.27)	4,753.22	209.97	4,963.19

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

  
**Amit Kumar Agarwal**  
Partner

Membership No: 214198

Place: Hyderabad

Date: May 27, 2023



For and on behalf of the Board of Directors of

**Paired Technologies Limited**

CIN: L72200TG1999PLC033131

  
**Supriya Reddy**  
Chairperson & Managing Director

DIN: 00055870

Place: Hyderabad

Date: May 27, 2023

  
**S. Vijayp Saradhi**  
Director

DIN: 03089889

Place: Hyderabad

Date: May 27, 2023

  
**Shrutti Rege**  
Company Secretary

Membership No: A43523

Place: Hyderabad

Date: May 27, 2023

Place: Hyderabad

Date: May 27, 2023





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in 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, 2023 and authorised for issue on May 27, 2023.

**2 Basis of preparation**

**Compliance with Ind AS**

The consolidated financial statements of the Company along with its subsidiaries (together referred to as "Group") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 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 31 March 2023.

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

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

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the 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 31 March 2023. 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.



**Palred Technologies Limited****Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

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 31 March 2023	As at 31 March 2022
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	97.81%	97.81%
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

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts 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 (o) – Provisions, contingent liabilities and contingent assets; and
- vi. Note (n) – Income taxes





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

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

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

**a. Functional Currency**

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Group. All financial information presented in Indian rupees has been rounded to the nearest 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.
- 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 written down value method using the useful lives of the assets estimated by management. The useful life is as follows:

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

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 derecognized 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.



**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs, Except share data or unless otherwise stated)

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 recognized 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 amortization, if no impairment loss had been previously recognized.

*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 amortized 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 amortized 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 amortized 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.





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**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 recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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. amortized 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.

*Amortized cost*

A financial asset is measured at amortized 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 amortized 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 recognized 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 recognized in the other comprehensive income (OCI). However, the Group recognizes 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 recognized 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.



**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**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 recognized 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 recognized in the statement of profit or loss.

**FVTPL**

All financial assets not classified as measured at amortized 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 amortized 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 recognized 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 recognized in statement of profit or loss. Any gain or loss on derecognition is also recognized in statement of profit or loss.

**De-recognition**

**Financial assets**

A financial asset is primarily de-recognized 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-recognized 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 recognized 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 recognized 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 recognized 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 recognizes 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 recognized directly in equity.

**i. Foreign currency transactions**

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

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





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

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

The Company has elected to recognize 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 amortized 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 recognized 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 recognized 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 recognizes 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 recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The effect of any plan amendments are recognized 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 recognized in OCI or directly in equity, in which case it is recognized 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.



**Paired Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

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

A deferred tax asset is recognized 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 recognized in the statement of changes in equity as part of the associated dividend payment.

Minimum Alternate Tax (MAT) credit is recognized 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 31 March 2023 and 31 March 2022, the Group has deferred tax asset on account of unabsorbed business loss, unabsorbed tax depreciation and other items, which have not been recognized on the grounds of prudence. Consequently, there is no deferred tax asset or liability recorded in the consolidated financial statements as at reporting periods presented.

**o. Provisions, contingent liabilities and contingent assets**

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

Contingent liability is disclosed for:

- i. Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- ii. Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

**p. Cash flow statement**

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

**q. Exceptional Items**

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

**r. Earnings per share**

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

**s. Contributed equity**

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

**t. Standards (including amendments) issued but not yet effective**

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April 2023:

Below is a summary of such amendments:

**(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements**

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**(ii) Definition of Accounting Estimates - Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors**

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12 Income taxes**

The amendment to Ind AS 12, requires entities to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognize deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related assets.

The cumulative effect of recognizing these adjustments is recognized in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

iv) The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

**u. Standards that became effective during the year**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from 01 April 2022 :

**References to the Conceptual Framework - Amendments to Ind AS 103**

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

**Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16**

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

**Onerous Contracts- Cost of Fulfilling a Contract - Amendments to Ind AS 37**

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Company has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

The Company, prior to the application of the amendments, did not have any onerous contracts.

As a result of the amendments, certain other directly related costs have now been included by the Company in determining the costs of fulfilling the contracts and the company does not expect the amendment to have any significant impact in its financial statement.



**Paired Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**3 Property, plant and equipment**

	Leasehold Improvement	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installation	Total
<b>Gross carrying value</b>							
Balance as at 31 March 2022	17.58	0.90	103.22	30.47	91.09	13.79	257.05
Additions	38.18	-	17.37	23.83	20.85	60.22	160.45
Disposals/retirement	-	-	-	-	-	-	-
Balance as at 31 March 2023	55.76	0.90	120.59	54.30	111.94	74.01	417.50
<b>Accumulated depreciation</b>							
Balance as at 31 March 2022	17.53	0.84	82.09	24.36	85.48	5.66	215.96
Charge for the year	2.21	0.01	7.00	5.23	8.34	8.00	30.79
Adjustments for disposals/retirement	-	-	-	-	-	-	-
Balance as at 31 March 2023	19.74	0.85	89.09	29.59	93.82	13.66	246.75
Net carrying value as at 31 March 2022	0.05	0.06	21.13	6.11	5.61	8.14	41.09
Net carrying value as at 31 March 2023	36.02	0.05	31.50	24.71	18.12	60.36	170.75

**5 Intangible assets**

	Computer Software	Total
<b>Gross carrying value</b>		
Balance as at 31 March 2022	75.38	75.38
Additions	2.13	2.13
Balance as at 31 March 2023	77.51	77.51
<b>Accumulated amortization</b>		
Balance as at 31 March 2022	69.80	69.80
Charge for the year	2.99	2.99
Balance as at 31 March 2023	72.79	72.79
Net carrying value as at 31 March 2022	5.58	5.58
Net carrying value as at 31 March 2023	4.71	4.71





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**4 (a) Right of Use Asset as at 31 March 2023**

Particulars	Category of ROU Asset	Total
	Buildings	
Balance as at 1 April 2022	188.82	188.82
Additions	400.04	400.04
Deletions	-	-
Depreciation	72.51	72.51
Balance as at 31 March 2023	516.35	516.35

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

**4 (b) Lease liabilities as at 31 March 2023**

Particulars	As at 31 March 2023
i) Non-Current	499.32
ii) Current	54.98
<b>Total</b>	<b>554.30</b>

The movement in lease liabilities during the year ended 31 March 2023 is as follows:

Particulars	Amount INR
Balance as at 1 April 2022	207.92
Additions	400.04
Finance cost accrued during the year	31.98
Deletions	-
Payment of lease liabilities	85.64
Balance as at 31 March 2023	554.30

**6 Other financial assets**

**Security deposits**

Unsecured considered good

Related parties

**Total**

As at 31 March 2023	As at 31 March 2022
65.70	66.51
<b>65.70</b>	<b>66.51</b>

**7 Other non-current assets**

Advance tax (net of provision)

Balances with government authorities

**Total other non-current other assets**

As at 31 March 2023	As at 31 March 2022
345.63	278.13
41.10	52.39
<b>386.73</b>	<b>330.52</b>

**8 Inventories**

Stock-in-trade (at lower of cost or net realizable value)

Packing materials (at cost)

**Total**

As at 31 March 2023	As at 31 March 2022
2,892.10	2,083.90
79.04	97.19
<b>2,971.14</b>	<b>2,181.09</b>



Paired Technologies Limited

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

9 Trade receivable

Unsecured  
-Considered good

Current	
As at 31 March 2023	As at 31 March 2022
2,955.89	1,376.24
<u>2,955.89</u>	<u>1,376.24</u>

Further classified as:  
Receivable from others

2,955.89	1,376.24
<u>2,955.89</u>	<u>1,376.24</u>

Ageing of Trade Receivables

31 March 2023

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 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	2,900.15	33.26	11.79	2.9	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>2,900.15</b>	<b>33.26</b>	<b>11.79</b>	<b>2.90</b>	<b>7.79</b>	-	<b>2,955.89</b>

31 March 2023

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 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	-	1,180.33	79.97	106.57	9.37	-	1,376.24
(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>1,180.33</b>	<b>79.97</b>	<b>106.57</b>	<b>9.37</b>	-	<b>1,376.24</b>





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
<b>10 Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	15.68	23.30
Fixed Deposit	3.15	3.11
Cash on hand	27.91	1.34
	<b>46.74</b>	<b>27.75</b>

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

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

	As at 31 March 2023	As at 31 March 2022
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	15.68	23.30
Fixed Deposit	3.15	3.11
Cash on hand	27.91	1.34
	<b>46.74</b>	<b>27.75</b>
<b>11 Bank balances other than Cash and cash equivalent</b>		
Balance in unpaid capital reduction account( Refer Note: 14(f) )	-	13.60
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	4,795.48	2,354.41
China Merchants Bank	-	9.12
	<b>4,795.48</b>	<b>2,377.13</b>
<b>12 Other financial assets</b>		
Interest accrued on fixed deposits	116.71	11.18
Others	8.75	28.11
	<b>125.46</b>	<b>39.29</b>
<b>13 Other current assets</b>		
Advance recoverable in kind	0.39	0.66
Balance with Government Authorities	231.75	180.85
Others	20.68	42.78
Prepaid expenses	54.32	47.60
Vendor and employee advances	672.68	655.28
<b>Total</b>	<b>979.82</b>	<b>927.17</b>



**Palred Technologies Limited**

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023  
(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**14 Share capital**

**Equity shares**

**Authorized**

Equity shares of INR 10 each  
14% Preference Shares of INR 100 each

**Issued, subscribed and paid up**

Equity shares of INR 10 each fully paid  
Total

As at 31 March 2023		As at 31 March 2022	
No of shares	Amount	No of shares	Amount
28,038,800	2,803.88	28,038,800	2,803.88
696,120	696.12	696,120	696.12
12,232,566	1,223.26	9,732,566	973.26
12,232,566	1,223.26	9,732,566	973.26

**(a) Reconciliation of number of shares outstanding**

Outstanding at the beginning of the year  
Add: Issued during the year  
Outstanding at the end of the year

For the year ended 31 March 2023		For the year ended 31 March 2022	
No of shares	Amount	No of shares	Amount
9,732,566	973.26	9,732,566	973.26
2,500,000	250.00	-	-
12,232,566	1,223.26	9,732,566	973.26

**(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 shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	No of shares	% of holding in the class	No of shares	% of holding in the class
Equity shares of INR 10 each fully paid				
Stuthi Reddy	1,000,000	8.17%	1,000,000	10.27%
Supriya Reddy Palem	1,602,261	13.10%	1,000,000	10.27%
Sanhita Reddy	1,000,000	8.17%	1,000,000	10.27%
Passage to India Master Fund Limited	701,586	5.74%	701,586	7.21%
Ashish Dhawan	678,189	5.54%	678,189	6.97%
Palem Srikanth Reddy	-	0.00%	602,261	6.19%
Mathew Cyriac	2,500,000	20.44%	-	0.00%

**(d) Details of Shares held by Promoters at the end of the year**

S. No	Promoter name	As at 31 March 2023			As at 31 March 2022		
		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	10.27%	-
2	Supriya Reddy Palem	1,602,261	13.10%	-	1,000,000	10.27%	-
3	Sanhita Reddy	1,000,000	8.17%	-	1,000,000	10.27%	-
4	Soujanya Reddy Parvatha	46,619	0.38%	-	46,619	0.48%	-
5	P Soujanya Reddy .	25,000	0.20%	-	25,000	0.26%	-
6	Palem Srinivas Reddy	2,600	0.02%	-	2,600	0.03%	-
7	Palem Srikanth Reddy	-	0.00%	-	602,261	6.19%	-
8	Dakshayani Reddy	600	0.01%	-	600	0.01%	-
Total	Total	3,677,080	30.05%	-	3,677,080	37.79%	-

Note: Mr. Palem Srikanth Reddy passed away during the FY 2020-21. Shares held on his name were transferred to his nominee, Mrs. Supriya Reddy Palem.

- (e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.
- (f) Capital reduction of equity shares during 5 years immediately preceding the Balance Sheet date  
Pursuant to the provisions of the Companies Act, 2013 read with Investor Education and Protection Fund [IEPF] Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer the unpaid or unclaimed dividend and shares in respect of which dividend entitlements are remaining unpaid or unclaimed for a period of seven consecutive years or more by any shareholder, to IEPF. Accordingly, the Company has transferred the Unpaid capital reduction amount of Rs. 13.59 Lac to investor's education and protection fund(IEPF).





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**15 Other equity**

	As at 31 March 2023	As at 31 March 2022
<b>Reserves and surplus</b>		
Capital Reserve	142.80	142.80
Securities premium	9,670.30	6,720.30
General reserve	1,325.24	1,325.24
Retained earnings	(6,400.20)	(5,586.69)
<b>Total reserves and surplus</b>	<b>4,738.14</b>	<b>2,601.66</b>
<b>Other Comprehensive Income</b>		
Remeasurement of defined benefit plan	(0.27)	2.95
Foreign Currency translation reserve	15.34	3.86
<b>Total other comprehensive income</b>	<b>15.08</b>	<b>6.81</b>
<b>Total Other equity</b>	<b>4,753.22</b>	<b>2,608.47</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 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 Other financial liabilities**

**(a) Non-current**

	As at 31 March 2023	As at 31 March 2022
Dealer Deposits	-	25.00
	-	25.00

**(b) Current**

Liability For Expenses	119.70	36.44
Unclaimed capital reduction	-	13.60
Other Payables	572.29	172.96
	<b>691.99</b>	<b>223.00</b>



**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**17. Provisions**

	As at 31 March 2023	As at 31 March 2022
<b>Non-current</b>		
Gratuity (refer note below)	45.24	48.77
	<u>45.24</u>	<u>48.77</u>
<b>Current</b>		
Gratuity (refer note below)	1.07	1.61
	<u>1.07</u>	<u>1.61</u>

**Note:**

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

	As at 31 March 2023	As at 31 March 2022
<b>i. Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	49.63	42.29
Service cost	7.54	7.08
Interest cost	3.46	2.81
Actuarial (gain) / loss	3.21	(1.47)
Settlements	-	(0.34)
Benefits paid	(17.53)	-
<b>Projected benefit obligation at the end of the year</b>	<u><b>46.31</b></u>	<u><b>50.37</b></u>
<b>ii. Expense recognized in the statement of profit and loss</b>		
Service cost	7.54	7.08
Interest cost	3.46	2.81
Expected returns on plan assets	-	-
<b>Net gratuity costs</b>	<u><b>11.00</b></u>	<u><b>9.89</b></u>
<b>iii. Expense recognized in OCI</b>		
Recognized net actuarial (gain)/ loss	3.21	(1.47)
<b>iv. Key actuarial assumptions</b>		
<b>Financial assumptions</b>		
Discount rate	6.57%	6.57%
Expected return on plan assets	-	-
Withdrawal Rate	-	-
Salary escalation rate	7.00%	7.00%
<b>Demographic assumptions</b>		
	For Service 4 years and below 5%	For Service 4 years and below 5%
	For Service 5 years and above 2%	For Service 5 years and above 2%

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





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**v. Sensitivity Analysis**

Projected defined benefit obligation		
Delta effect of +1% change in discount rate	36.96	(4.78)
Delta effect of -1% change in discount rate	(3.77)	5.85
Delta effect of +1% change in salary escalation rate	6.40	4.56
Delta effect of -1% change in salary escalation rate	4.76	(4.06)
Delta effect of +1% change in employee turnover rate	(3.78)	-
Delta effect of -1% change in employee turnover rate	(0.06)	-

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

1 year	1.07	0.68
2 to 5 years	5.62	3.66
6 to 10 years	1.93	10.19
More than 10 years	156.63	-

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.

	As at 31 March 2023	As at 31 March 2022
<b>18 Borrowings</b>		
Current		
Secured, loans repayable on demand from banks		
Bank Over draft	5,491.52	3,147.38
	<u>5,491.52</u>	<u>3,147.38</u>

**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 4,516.95 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>	<u>1,209.42</u>
Cash flows, net	(1,209.42)
Interest expense	55.38
Interest paid	(55.38)
<b>Net debt as at April 1, 2020</b>	-
Cash flows, net	2,786.71
Interest expense	262.79
Interest paid	(262.79)
<b>Net debt as at March 31, 2022</b>	<u>2,786.71</u>
Cash flows, net	3,147.38
Interest expense	303.95
Interest paid	(303.95)
<b>Net debt as at March 31, 2022</b>	<u>3,147.38</u>
Cash flows, net	5,491.52
Interest expense	410.78
Interest paid	(410.78)
<b>Net debt as at March 31, 2023</b>	<u>5,491.52</u>



Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023  
(All amount in INR in Lakhs , Except share data or unless otherwise stated)

As at	As at
31 March 2023	31 March 2022

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

22.05	56.38
-------	-------

22.05	56.38
-------	-------

31 March 2023	Current						
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				
			Less than 1 year	1-2 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>

31 March 2022	Current						
Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	-	-	56.38	-	-	-	56.38
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>56.38</b>	-	-	-	<b>56.38</b>

1. Refer note 30 for the Company's liquidity risk management process

31 March 2023	31 March 2022
---------------	---------------

—

—

1000

• **•**

As at	As at
31 March 2023	31 March 2022

24.80	14.46
-------	-------

1.35                      1.17

2.78

26.15	18.41
-------	-------





Palred Technologies Limited

Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

<b>21 Revenue from operations</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Sale of Goods	14,652.01	12,608.64
Sale of Services	150.00	150.13
	<b>14,802.01</b>	<b>12,758.77</b>
<b>22 Other income</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Interest income	191.95	76.66
Dividends From Mutual Funds	-	0.20
Provision no longer required, written back	0.34	9.85
Miscellaneous income	74.73	17.20
	<b>267.02</b>	<b>103.91</b>
<b>23 Changes in inventories of stock-in-trade</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Inventory at the beginning of the year	2,083.90	1,441.00
Inventory at the end of the year	(2,892.10)	(2,083.89)
	<b>(808.21)</b>	<b>(642.89)</b>
<b>24 Employee benefits expense</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Salaries, wages, bonus and other allowances	853.19	772.84
Contribution to Provident Fund and ESI	47.97	37.06
Gratuity expenses ( Refer Note: 17)	10.99	9.89
Staff welfare expenses	24.74	15.46
	<b>936.89</b>	<b>835.25</b>
<b>25 Finance cost</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Interest on borrowing	410.78	303.95
Interest expense	31.98	19.55
	<b>442.76</b>	<b>323.51</b>
<b>26 Depreciation and amortization expense</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Depreciation of property, plant and equipment	30.76	15.23
Depreciation of ROU Assets	72.51	45.87
Amortization of other intangible assets	2.99	1.60
	<b>106.26</b>	<b>62.70</b>



**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

<b>27 Other expenses</b>	<b>31 March 2023</b>	<b>31 March 2022</b>
Rent	-	8.00
Rates and taxes	64.73	69.87
Repairs and maintenance - others	33.96	11.22
Website Maintenance	3.41	8.01
Freight charges	5.07	8.26
Insurance	10.96	21.99
Office maintenance	83.02	72.89
Business promotion expenses	1,909.58	1,543.92
Postage and courier	0.94	0.46
Power and fuel	28.88	19.55
Travelling and conveyance	24.75	15.60
Delivery charges	204.72	261.76
Legal and professional charges	26.79	51.10
Auditor's Remuneration *	26.00	20.50
Hosting expenses	25.57	24.48
Refunds related expenses	126.21	75.81
Communication expenses	14.22	14.40
Packing material	51.61	55.60
Foreign exchange difference, net	-	34.72
Due from collection agencies written off	-	1.02
Bank charges	30.71	26.51
Printing and stationery	0.05	-
Sales commission	42.24	75.89
Online platform fee	-	4.71
Packing Charges	44.68	70.10
Sitting fees	1.60	2.35
Miscellaneous expenses	28.22	127.65
	<b>2,787.92</b>	<b>2,626.40</b>

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

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>As auditor:</b>		
Statutory audit	18.00	14.00
<b>In other capacity:</b>		
Limited Review	6.00	6.00
Certification Fees	2.00	0.50
	<b>26.00</b>	<b>20.50</b>





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**28 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:

	31 March 2023	31 March 2022
Loss attributable to equity holders	(3.82)	(171.43)
Weighted average number of equity shares	10,956,344	9,732,566
Basic loss per share (INR)	(0.03)	(1.76)
Diluted loss per share (INR)	(0.03)	(1.76)

**29 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 maximize 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**

	31 March 2023		31 March 2022	
	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 amortized cost instruments, carrying value represents the best estimate of fair value.

	31 March 2023		31 March 2022	
	FVTPL	amortized cost	FVTPL	amortized cost
<b>Financial Assets</b>				
Trade receivables	-	2,955.89	-	1,376.24
Cash and cash equivalents	-	46.74	-	27.75
Other Bank balances	-	4,795.48	-	2,377.13
Other financial assets	-	125.46	-	39.29
<b>Total financial assets</b>	-	<b>7,923.57</b>	-	<b>3,820.41</b>
<b>Financial liabilities</b>				
Borrowings	-	5,491.52	-	3,147.38
Trade payables	-	22.05	-	56.38
lease liability	-	54.98	-	39.57
Other financial liabilities	-	691.97	-	222.98
<b>Total financial liabilities</b>	-	<b>6,260.52</b>	-	<b>3,466.31</b>



**Paired Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

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

	31 March 2023		31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
Trade receivables	2,955.89	2,955.89	1,376.24	1,376.24
Cash and cash equivalents	46.74	46.74	27.75	27.75
Other Bank balances	4,795.48	4,795.48	2,377.13	2,377.13
Other financial assets	125.46	125.46	39.29	39.29
<b>Total financial assets</b>	<b>7,923.57</b>	<b>7,923.57</b>	<b>3,820.41</b>	<b>3,820.41</b>
<b>Financial liabilities</b>				
Borrowings	5,491.52	5,491.52	3,147.38	3,147.38
Trade payables	22.05	22.05	56.38	56.38
lease liability	54.98	54.98	39.57	39.57
Other financial liabilities	691.97	691.97	222.98	222.98
<b>Total financial liabilities</b>	<b>6,260.52</b>	<b>6,260.52</b>	<b>3,466.31</b>	<b>3,466.31</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.

### 30 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, 2023	March 31, 2022
<b>Fixed rate instruments</b>		
Financial assets	4795.48	2,354.41
Financial liabilities	5,491.52	3,147.38





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

Particulars	As at 31 March 2023			For the year ended 31 March 2023			For the year ended 31 March 2023		
	Net assets			Share in other comprehensive			Total comprehensive income/ (loss)		
	(Total Assets-Total liabilities)	As a % of consolidated assets	Amount	Share in profit/(loss)	As a % of consolidated profit/ (loss)	Amount	Share in other comprehensive income/ (loss)	As a % of consolidated total comprehensive income/ (loss)	Amount
Parent	108.22 %		6,468.02	(7217.9)%		275.53	2.31%	0.15	10316.5 %
Subsidiaries:									
Indian									
Paired Electronics Private Limited	22.34 %		1,335.15	5088.1 %		(194.23)	-51.78%	(3.36)	(7394.2)%
Paired Retail Private Limited	(2.43)%		(145.19)	98.8 %		(3.77)	0.00%	-	(141.1)%
Paired Technology Services Private Limited	(2.22)%		(132.93)	696.3 %		(26.58)	0.00%	-	(994.7)%
Foreign									
Paired Online Bilisim Teknolojileri Ticaret Anonim Sirketi, Turkey	0.00 %		-	0.0 %		-	0.00%	-	0.0 %
Paired Online Technologies Limited ('POT'), Hong Kong	1.19 %		71.18	116.0 %		(4.43)	161.50%	10.48	226.4 %
Paired Technology Shenzhen Company Ltd, China	(0.75)%		(44.88)	(312.4)%		11.92	3.08%	0.20	453.7 %
Non Controlling interests	(3.51)%		(209.97)	1074.5 %		(41.02)	27.30%	1.77	(1468.7)%
Total	122.84 %		7,341.38	(456.5)%		17.42	142.41%	9.24	997.5 %
Consolidation adjustments	(22.84)%		(1,364.90)	556.5 %		(21.24)	-42.41%	(2.75)	(897.5)%
Net amounts	100.00 %		5,976.48	100.0 %		(3.82)	100.00%	6.49	100.0 %
2.67									
Particulars	As at 31 March 2022			For the year ended 31 March 2022			For the year ended 31 March 2022		
	Net assets			Share in other comprehensive			Total comprehensive income/ (loss)		
	(Total Assets-Total liabilities)	As a % of consolidated assets	Amount	Share in profit/(loss)	As a % of consolidated profit/ (loss)	Amount	Share in other comprehensive income/ (loss)	As a % of consolidated total comprehensive income/ (loss)	Amount
Parent	105.88 %		3,792.34	(233.82)%		400.82	4.87 %	0.36	(244.58)%
Subsidiaries:									
Indian									
Paired Electronics Private Limited	42.79 %		1,532.73	23.66 %		(40.56)	11.64 %	0.86	(39.70)
Paired Retail Private Limited	(3.95)%		(141.42)	27.86 %		(47.75)	3.38 %	0.25	(47.50)
Paired Technology Services Private Limited	(2.97)%		(106.33)	90.39 %		(154.95)	0.00 %	-	(154.95)
Foreign									
Paired Online Bilisim Teknolojileri Ticaret Anonim Sirketi, Turkey	0.00 %		-	0.00 %		-	0.00 %	-	-
Paired Online Technologies Limited ('POT'), Hong Kong	1.95 %		69.77	44.87 %		(76.91)	25.17 %	1.86	(75.05)
Paired Technology Shenzhen Company Ltd, China	(1.58)%		(56.77)	(7.58)%		13.00	80.65 %	5.96	(11.56)%
Non Controlling interests	(7.01)%		(250.99)	2.95 %		(5.06)	(25.71)%	(1.90)	(6.96)
Total	135.11 %		4,839.33	(51.68)%		88.59	100.00 %	7.39	(58.51)%
Consolidation adjustments	(35.11)%		(1,257.60)	151.68 %		(260.01)	0.00 %	-	(158.51)%
Net amounts	100.00 %		3,581.73	100.00 %		(171.42)	100.00 %	7.39	100.00 %
(164.03)									



**Palred Technologies Limited****Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**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	31 March 2023	31 March 2022
Current Assets	11,874.53	6,928.67
Current liabilities	6,287.76	3,486.35
Working Capital	5,586.77	3,442.32

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

**Foreign Currency Risk**

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

**D. Excessive risk concentration**

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

**Financial assets that are neither past due or nor impaired**

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

**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.

**32 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.





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**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 ('POT'), 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 31 March 2023	For the year ended 31 March 2022
Mr. Palem Supriya Reddy	Remuneration*	15.00	15.00
Mr. Palem Supriya Reddy	Reimbursement of expenses	2.07	1.16
Mr. Pinekalapati Harish Naidu	Salaries including bonuses	40.00	35.00
Mr. Pinekalapati Harish Naidu	Reimbursement of expenses	0.04	0.19
Mrs. Shruti Rege	Salaries including bonuses	9.31	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)**

	As at 31 March 2023	As at 31 March 2022
Ms. Stuthi Reddy	(0.54)	(0.74)

**34 Contingent liabilities and pending litigations**

**(a) Disputed income tax liabilities**

Assessment year 2006-07 onwards - refer note below \*

**(b) Claim against company not acknowledged as debt - (GST)**

Assessment year 2022-23 \*\*

	As at 31 March 2023	As at 31 March 2022
	-	602.00
	68.68	129.36

**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.



**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

**35 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.

**36 Details of Benami Property held**

i. The group do not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

ii. The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

**37 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.

**38 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.

**39 Utilization of Borrowed funds and share premium:**

(i) 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:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(ii) 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:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

**40 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.

**41 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.

**42 Details of Crypto Currency or Virtual Currency**

The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.





**Palred Technologies Limited**

**Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2023**

(All amount in INR in Lakhs , Except share data or unless otherwise stated)

- 43 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.  
The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 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.
- 45 The consolidated financial statements are approved for issue by the Company's Board of Directors on May 27, 2023.
- 46 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS required by Schedule III of the Act.

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No. 105047W

**Amit Kumar Agarwal**

Partner

Membership No: 214198

Place: Hyderabad

Date: May 27, 2023

For and on behalf of the Board of Directors

**Palred Technologies Limited**

CIN: L72200TG1999PLC033131

**Supriya Reddy**

Director

DIN:00055870

Place: Hyderabad

Date: May 27, 2023

**Pinakalapati Harish Naidu**

Chief Finance Officer

Place: Hyderabad

Date: May 27, 2023

**S.Vijaya Saradhi**

Director

DIN: 03089889

Place: Hyderabad

Date: May 27, 2023

**Shruti Rege**

Company Secretary

Membership No: A43523

Place: Hyderabad

Date: May 27, 2023



*Supriya Reddy*

*Pinakalapati Harish Naidu*



*S.Vijaya Saradhi*

*Shruti Rege*