

## Annexure-F

## REPORT ON CORPORATE GOVERNANCE

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

### 1. Company's Philosophy on Corporate Governance:

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

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

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

### 2. Board diversity:

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

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

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

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

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

The Board of Directors has adopted the Insider Trading

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

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

### 5. Board of Directors:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2019, the Company's Board comprised of four Directors, One promoter Directors. In addition, there are three independent Directors on the Board including one woman Director. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one half of total Directors as independent Directors. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

### 6. Skills / Expertise / Competencies of the Board of Directors;

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

- a) Knowledge on Company's businesses (Plantations and Instant Coffee), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- b) Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- c) Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- d) Financial and Management skills.
- e) Technical / Professional skills and specialized knowledge in relation to Company's business.

**7. Re-appointment of Directors retiring by rotation:**

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

Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

**8. Attendance and directorships held:**

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies are shown in Table 1.

<b>Name of Director</b>	<b>Relation-ship with other Direc-tors</b>	<b>Category</b>	<b>No. of Meet-ings Held</b>	<b>No. of Meetings Attended</b>	<b>Wheth-er Attend-ed Last AGM</b>	<b>No. of Outside Directorships of Public Compa-nies</b>	<b>No. of Com-mittee Member-ships</b>	<b>No. of Committee Chairman-ships</b>
P.Srikanth Reddy	None	Promoter Director	6	6	Yes	2 Deemed Public Companies	2	1
Sribhashyam Vijaya Saradhi	None	Independent Director	6	4	No	2 Deemed Public Companies	4	2
Atul Sharma	None	Independent Director	6	1	No	0	3	0
Richa Patnaik	None	Independent Director	6	3	Yes	0	3	1

**9. Information supplied to the board:**

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

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm’s length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**10. Familiarization program for independent directors:**

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2018-19, there has been no change in the independent director of the Company.

The Company's Policy of conducting the Familiarization Program and details of such familiarisation program during the year, is placed on its website viz., www.palred.com.

**11. Committees of the board:**

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

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

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

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2018-19 on February 14, 2019, involving the following:

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

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 14, 2019, mainly to review the performance of Independent Directors and the Chairman & Managing Director as also the Board as a whole. All IDs were present at the said meeting.

- (i) Board: Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- (ii) Executive Directors: Skill, knowledge, performance, compliances, ethical standards, risk

mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.

- (iii) Independent Directors: Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- (iv) Chairman: Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- (v) Committees: Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

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

Categories	Rating (out of 5)
Board as a whole	4.89
Individual Directors	
Mr.P.Srikanth Reddy	4.68
Mr. S. Vijaya Saradhi	4.78
Mr. Atul Sharma	4.46
Mrs. Richa Patnaik	4.59
Audit Committee	4.56
Stakeholder Relationship Committee	4.25
Nomination & Remuneration Committee	4.65

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

A. Brief Description of Terms of Reference: - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
- iii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- iv. Approval of payment to statutory auditors for any other services rendered by them.

- v. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
- (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report;
- vi. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
- vii. Examination of the financial statement and the auditors' report thereon;
- viii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- ix. Approval or any subsequent modification of transactions with related parties;
- x. Scrutiny of inter-corporate loans and investments;
- xi. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xii. Evaluation of internal financial controls and risk management systems;
- xiii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiv. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Review and monitor the end use of funds raised through public offers and related matters;
- xx. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xxi. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xxii. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.
- i. Review of the following information:**
- management discussion and analysis of financial condition and results of operations;
  - statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - management letters / letters of internal control weaknesses issued by the statutory auditors;
  - internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
  - Statement of deviations as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).
  - The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
  - Carrying out any other function as may be referred to the Committee by the Board.
  - Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.
- B. Internal Audit**
- The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

**Composition, Meetings & Attendance:**

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

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31<sup>st</sup> March 2019 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. S. Vijaya Saradhi	Chairman	NED(I)	4	4
Mr. Atul Sharma	Member	NED(I)	4	1
Mrs. Richa Patnaik	Member	NED(I)	4	3

The Audit Committee met 4 times during the financial year 2018-19 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 30th May 2018, 14<sup>th</sup> August 2018, 14th November 2018 and 14th February 2019. Requisite quorum was present at the above Meetings.

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

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

The Chairman of the Audit Committee was present at the Annual General Meeting of the Company held on 27<sup>th</sup> September, 2018.

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

- Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors.
- Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- Carry out the evaluation of every Director’s performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of Independent Directors and the Board.
- Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.

- Oversee familiarisation programmes for Directors.
- Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- Perform other activities related to the charter as requested by the Board from time to time

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

There were two (2) Nomination and Remuneration Committee Meetings held during the financial year 2018-19 on 14.08.2018 & 14.02.2019.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. S. Vijaya Saradhi	Chairman	NED(I)	2	2
Mr. Atul Sharma	Member	NED(I)	2	0
Mrs. Richa Patnaik	Member	NED(I)	2	2

15. Stakeholder's relationship committee: Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:
- (i) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
  - (ii) Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
  - (iii) Review of measures taken for effective exercise of voting rights by shareholders
  - (iv) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
  - (v) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 3 Directors out of which 2 are independent. In the financial year 2018-19, 4 meetings of the Committee were held on 30th May 2018; 14th August 2018; 14th November 2018 and 14th February 2019. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mrs. Richa Patnaik	Chairperson	NED (I)	4	3
Mr. S. Vijaya Saradhi	Member	NED (I)	4	4
Mr. Palem Srikanth Reddy	Member	ED	4	4

received 2 complaints during the year and all of them have been redressed/answered to the satisfaction of investors. No investor grievance remained unattended/pending.

16. Performance evaluation criteria for independent directors:

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

Policy:

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

- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

2.1 The proposed appointee shall also fulfil the following requirements:

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

3. Criteria of independence

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

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

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

4. Other directorships/ committee memberships

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

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

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

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

For the purpose of considering the limit of the committee, Audit committee and stakeholder’s relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

**17. Name and designation of compliance officer:**

Mr. Naveen Kumar, Company Secretary of the Company, is the Compliance Officer of the Company.

**18. Details of complaints/requests received, resolved and pending during the year 2018-19:**

NUMBER OF COMPLAINTS	NUMBER
Number of complaints received from the investors comprising non-receipt of securities sent for transfer and transmission, complaints received from SEBI / Registrar of Companies / Bombay Stock Exchange / National Stock Exchange / SCORE and so on	2
Number of complaints resolved	2
Number of complaints not resolved to the satisfaction of the investors as on March 31, 2018	0
Complaints pending as on March 31, 2018	0
Number of Share transfers pending for approval, as on March 31, 2018	0

19. **Pecuniary Relationship or Transactions Of The Non-Executive Directors Vis-À-Vis The Listed Company:** The Non-Executive Directors have no pecuniary relationship or transactions.

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

Policy:

1. Remuneration to Executive Director and key managerial personnel
  - 1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.
  - 1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.
  - 1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:
    - (i) Basic pay
    - (ii) Perquisites and Allowances
    - (iii) Stock Options
    - (iv) Commission (Applicable in case of Executive Directors)
    - (v) Retrial benefits
    - (vi) Annual performance Bonus
  - 1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.
2. Remuneration to Non – Executive Directors
  - 2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.
  - 2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.
3. Remuneration to other employees
  - 3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**B. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2018-19 AND OTHER DISCLOSURES:**

Name of the Director	Salary (Rs)	Sitting fees (Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
P.Srikanth Reddy	30,00,000	--	6,02,261	--	--	--	--
Sribhashyam Vijaya Saradhi	--	20,000	400	--	--	--	--
Atul Sharma	--	--	--	--	--	--	--
Richa Patnaik	--	--	--	--	--	--	--

20. Independent directors’ meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 14.02.2019, to discuss:

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

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



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

## 21. Remuneration policy:

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

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

Policy for selection of directors and determining directors' independence:

### 1. Scope:

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

### 2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

### 1. Scope:

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

### 2. Terms and Reference:

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

2.1 "Director" means a director appointed to the Board of the company.

2.2 "Key Managerial Personnel" means

- (i) The Chief Executive Office or the Managing Director or the Manager;
- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## 22. Formal annual evaluation:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder and regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the independent directors of the company had a meeting on 14.02.2019 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

- (a) Review of the performance of non-independent directors and the Board as a whole;
- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non-independent directors. The company has one non-independent director namely:

i.) Mr. P. Srikanth Reddy – Chairman & Managing Director

The meeting recognized the significant contribution made by Mr. P. Srikanth Reddy in directing the Company towards the success path and placing the Company globally in Software Development & E-Commerce business.

1. The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:
2. Preparedness for Board/Committee Meetings
3. Attendance at the Board/Committee Meetings
4. Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
5. Monitoring the effectiveness of the Company’s governance practices
6. Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
7. Ensuring the integrity of the Company’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

23. **Risk Management Committee: -**

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

**A.) Composition:**

The Details of composition of the Committee are given below:

Name	Designation	Category
Mr. Palem Srikanth Reddy	Chairperson	ED
Mr. Atul Sharma	Member	NED(I)
Mr. S. Vijaya Saradhi	Member	NED(I)

Role and responsibilities of the committee includes the following:

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

24. **Monitoring Governance of Subsidiary Companies**

Pursuant to regulation 16(1)(c) of the Listing Regulations, the Company has two material subsidiaries as on 31<sup>st</sup> March, 2019, i.e. Palred Technologies Services Private Limited and Palred Electronics Private Limited., the Company have material subsidiary pursuant to regulation 24 of the Listing Regulations and is required to appoint Independent Director on the Board of its material subsidiary. The Company has appointed Mr. S. Vijaya Saradhi on the Board of Palred Technologies Services Private Limited and Palred Electronics Private Limited.

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

**25. NON-EXECUTIVE DIRECTORS’ COMPENSATION AND DISCLOSURES:**

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

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

The Company has not issued these types of securities.

**27. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES:**

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

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

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

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

Financial Year	Date	Time	Location	Special / Ordinary Resolution
AGM 2017-18	29.09.2018	9:00 A.M.	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	Yes
AGM 2016-17	28.09.2017	9:00 A.M.	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	yes
EGM 2017-18	08.04.2017	9:00 A.M.	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	yes
AGM 2015-16	30.09.2016	9:00 A.M.	Plot NO.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034	Yes

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

There were no resolutions passed by the Company through Postal Ballot during the financial year 2018-19.

**30. Means Of Communication**

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

The quarterly, half yearly and annual results of the Company’s performance are published in leading newspapers such as Business Standard and Navatelangana. These results are also made available on the website of the Company <https://www.palred.com/investor-relations/quarterly-results/>. The website also displays vital information relating to the Company and its performance, official press releases and presentation to analysts.

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

**31. General shareholder information:**

**A. Annual general meeting:**

The 20<sup>th</sup> Annual General Meeting of the Company will be held as per the following schedule:

Day	Monday
Date	30th September, 2019
Time	09.00 a.m.
Venue	Plot No.2, 8-2-703/2/B, Road No.12, Banjara Hills, Hyderabad- 500034

**B. Venue: Financial Year And Financial Year Calendar 2019-20 (Tentative Schedule)**

The financial calendar (tentative) shall be as under:

Financial Year	2019-2020
First Quarterly Results	14.08.2019
Second Quarterly Results	14.11.2019
Third Quarterly Results	14.02.2020
Fourth Quarterly Results	29.05.2020
Annual General Meeting for year ending 31 <sup>st</sup> March, 2020	30.09.2020

C. **Dividend Payment Date:** No Dividend was declared during the Financial Year 2018-19.

D. **Payment of Listing Fees:** The Company has paid annual listing fees for the financial year 2019-20 to the BSE and NSE within stipulated time.

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

The equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees for the year 2019-2020 to both the Stock Exchanges.

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

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

Month	Bombay Stock Exchange(BSE)				National Stock Exchange(NSE)			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr 18	72.15	87.00	69.00	78.00	74.85	87.65	69.70	77.80
May 18	79.00	85.00	69.15	73.80	82.30	86.00	68.60	72.60
Jun 18	72.45	73.85	54.55	58.80	72.40	75.00	53.95	57.00
Jul 18	58.00	59.30	38.90	43.75	58.85	58.95	38.75	44.00
Aug 18	43.10	51.90	40.10	49.00	43.50	53.00	42.60	49.05
Sep 18	50.65	51.30	34.30	38.50	52.00	52.00	37.10	38.10
Oct 18	38.00	38.00	27.20	33.05	38.10	39.80	29.05	34.00
Nov 18	33.90	37.70	25.10	27.75	33.70	38.85	26.90	27.95
Dec 18	29.70	40.30	26.00	40.30	29.90	40.80	24.70	40.80
Jan 19	43.10	53.15	33.55	37.75	43.95	53.80	33.30	38.15
Feb 19	40.40	40.90	23.35	28.30	37.00	41.35	26.10	28.45
Mar 19	29.50	39.40	28.00	31.20	29.95	36.80	27.15	31.80

**G. Performance in comparison to Board based indices: (Rs. In Lakhs)**


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

M/s. Karvy Fintech Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032  
Phone Number: 040-67162222, 67161526  
Website: www.karvyfintech.com, Email- einward.ris@karvy.com

**I. Share transfer system:**

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

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

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

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

It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.

Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

**J. Distribution Of Shareholding As On 31<sup>st</sup> March , 2019:**

CATEGORY	NUMBER OF SHAREHOLDERS	%	AMOUNT	%
1 – 5000	12783	93.59	8962080	9.39
5001 – 10000	414	3.03	3200510	3.1
10001 – 20000	231	1.69	3465270	3.45
20001 – 30000	73	0.53	1808710	1.48
30001 – 40000	38	0.28	1354620	1.27
40001 – 50000	26	0.19	1181280	1.19
50001 – 100000	48	0.35	3275420	3.02
100001 and above	46	0.34	74077770	77.09
<b>TOTAL</b>	<b>13659</b>	<b>100</b>	<b>97325660</b>	<b>100</b>

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

Palred Shares are tradable in Electronic Form. The Company has established electronic connectivity through Karvy Fintech Private Limited with both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE218G01033. As on March 31, 2019 99.88% of the shares were held in Dematerialised form and the rest in physical form.

Particulars	No. of Shares	% Share Capital
NSDL	81,04,446	83.27
CDSL	16,17,863	16.62
PHYSICAL	10,257	0.11
Total	97,32,566	100.00

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

**L. Outstanding GDRS/ADRS/Warrants or Convertible Instrument:**

The Company has not issued GDRs/ADRs/Warrants or any other instruments convertible into equity.

**M. Book closure date:**

The date of Book Closure for the purpose of Annual General Meeting and determining the shareholders' entitlement for dividend shall be from Tuesday, the 24th day of September, 2019 to Monday, the 30th day of September, 2019 (both days inclusive).

**N. Electronic connectivity:**

Demat ISIN Number: INE218G01033

- O. **National Securities Depository Limited**  
Trade World, Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai – 400 013.
- P. **Central Depository Services (India) Limited**  
Marathon Futurex, A-Wing, 25th floor,  
NM Joshi Marg, Lower Parel, Mumbai 400013

Q. **SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2019:**

S. No.	CATEGORY OF SHAREHOLDER	No. of shares held	Percentage of shareholding
(A)	PROMOTER AND PROMOTER GROUP		
(1)	INDIAN		
(a)	Individual	36,77,080	37.78
(b)	Others	--	--
	<b>Sub-Total A(1) :</b>	<b>36,77,080</b>	<b>37.78</b>
(2)	FOREIGN	--	--
(a)	Individuals	--	--
	<b>Sub-Total A(2) :</b>	<b>--</b>	<b>--</b>
	<b>Total A=A(1)+A(2)</b>	<b>36,77,080</b>	<b>37.78</b>
(B)	PUBLIC SHAREHOLDING		
(1)	INSTITUTIONS		
(a)	Financial Institutions /Banks	60	0
(b)	Foreign Institutional Investors	7,01,586	7.21
	<b>Sub-Total B(1) :</b>	<b>7,01,646</b>	<b>7.21</b>
(2)	<b>NON-INSTITUTIONS</b>		
(a)	Bodies Corporate	8,49,969	8.73
(b)	Individuals	38,51,332	39.57
(c)	Others		
(i)	CLEARING MEMBERS	3,154	0.03
(ii)	FOREIGN BODIES	2,16,948	2.23
(iii)	FOREIGN NATIONALS	3,10,647	3.19
(iv)	CORPORATE BODY - OTHERS	740	0
(v)	NBFC	1,00,000	1.03
(vi)	NON RESIDENT INDIANS	8,854	0.91
(vii)	TRUSTS	1,49,458	1.54
	Sub-Total B(2) :	53,53,570	55.01
	Total B=B(1)+B(2) :	60,55,216	62.22
	Total (A+B) :	97,22,242	100
	<b>GRAND TOTAL (A+B+C) :</b>	<b>97,22,242</b>	<b>100</b>

32. **Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees:**

In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees.

**33. Fees paid to Statutory Auditor:**

A total fee of Rs. 26.88 Lakhs was paid by the Company and its subsidiaries, on a consolidated basis, for all services to Walker Chandoik & Co. LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors, M/s. Walker Chandoik & Co. LLP and all entities in the network firm/ network entity of which they are part is as follows:

Particulars	Amount in Rs.
Audit fees	25,78,748
Fees for other services - Certification	-
Reimbursement of out of pocket expenses	1,09,500
<b>Total</b>	<b>26,88,248</b>

**34. Other disclosures:**

- i. Details of transactions with related parties as specified in Indian Accounting Standards (IND AS 24) have been reported in the financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company at large. The Audit Committee takes into consideration the management representation and an independent audit consultant's report, whilst scrutinizing and approving all related party transactions, from the perspective of fulfilling the criteria of meeting arms' length pricing and being transacted in the ordinary course of business. During the period, all transactions with related parties entered into by the Company were in the ordinary course of business and on an arm's length basis, were approved by the Audit Committee. The detailed Policy on Related Party Transactions is available on the website of the Company at [www.palred.com](http://www.palred.com).
- ii. The Company has complied with the requirements of the stock exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years and accordingly no penalties or strictures were imposed on the Company by the stock exchanges, SEBI or any other statutory authority.
- iii. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.  
  
The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of UPSI" in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the revised policy was approved by the Board at its meeting held on February 14, 2019. Kindly refer to the Company's website at [www.palred.com](http://www.palred.com).
- iv. The policy for determining a material Subsidiaries and the policy on Related party transaction are available at [www.palred.com](http://www.palred.com)
- v. The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.
- vi. The Company also fulfils all the non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations.
  - a) The company has an Executive Chairman.
  - b) The Company has moved towards a regime of Standalone and Consolidated Financial Statements with unmodified audit opinion.
  - c) The Internal Auditor makes presentations to the Audit Committee.
  - d) Shareholders Rights: The Company has adopted requirements with regard to sending of quarterly half yearly financial results to the Members of the Company.
- vii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not applicable.

- viii. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.
- ix. The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH') which is available on the website of the Company. There was on Complaints received during the financial year.
- x. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(c) to the SEBI Listing Regulations.
- xi. Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- xii. Commodity price risk and commodity hedging activities: Not Applicable
- xiii. Disclosures with respect to demat suspense account/ unclaimed suspense account: Not Applicable

**a. Address for Communication**

Registered Office address: Plot No: 2, H. No: 8-2-703/2/B, Road No: 12, Banjara Hills, Hyderabad – 500034.

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

Sd/-

**Palem Srikanth Reddy**

Chairman & Managing Director

(DIN: 00025889)

Place: Hyderabad

Date: 26.08.2019

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**DECLARATION PURSUANT TO SCHEDULE V OF THE LISTING REGULATIONS**

In accordance with Regulation 26 (3) and Schedule V of the Listing Regulations with the Stock Exchanges, I hereby declare that the Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March 2019.

For and on behalf of the Board of  
Palred Technologies Limited

Sd/-

**Palem Srikanth Reddy**

Chairman & Managing Director

(DIN: 00025889)

Place: Hyderabad

Date: 26.08.2019