



Dt: July 8, 2016

To,
The Manager,
Department of Corporate Relations,
BSE Limited,
PJ Towers, Dalal Street,
Mumbai- 400001.

To,
The Manager,
Listing Department,
NSE Limited
Bandra Kurla Complex, Bandra (E),
Mumbai- 400051.

Dear Sir/Madam

Sub : Presentation made to Analysts/Institutional Investors.

This is further to our letter dated July 5, 2016 wherein we have given advance Intimation of upcoming Analyst or Institutional Investor Interactions scheduled on July 7, 2016 in terms of regulation 30(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find herewith enclosed the presentation made to Analysts/Investors. The same is also available on the website of the Company: www.palred.com. This is for the information and records of the Exchanges, please.

Thanking you,

Yours faithfully,
For **Palred Technologies Limited**

ARCHANA
SASTRY
NUDURUPATI
N Archana Sastry
Company Secretary

Digitally signed by
ARCHANA SASTRY
NUDURUPATI
Date: 2016.07.08
10:48:29 +05'30'

Encl. as above

PALRED TECHNOLOGIES LIMITED

CIN No: L72200AP1999PLC033131

Plot No: 2, H. No: 8-2-703/2/B, Road No: 12, Banjara Hills, Hyderabad – 500 034

Telefax: + 91 40 66384915, 66384916 | Website : www.palred.com



Latest **One** Tech deals online!

Company Background – 1999 to 2013

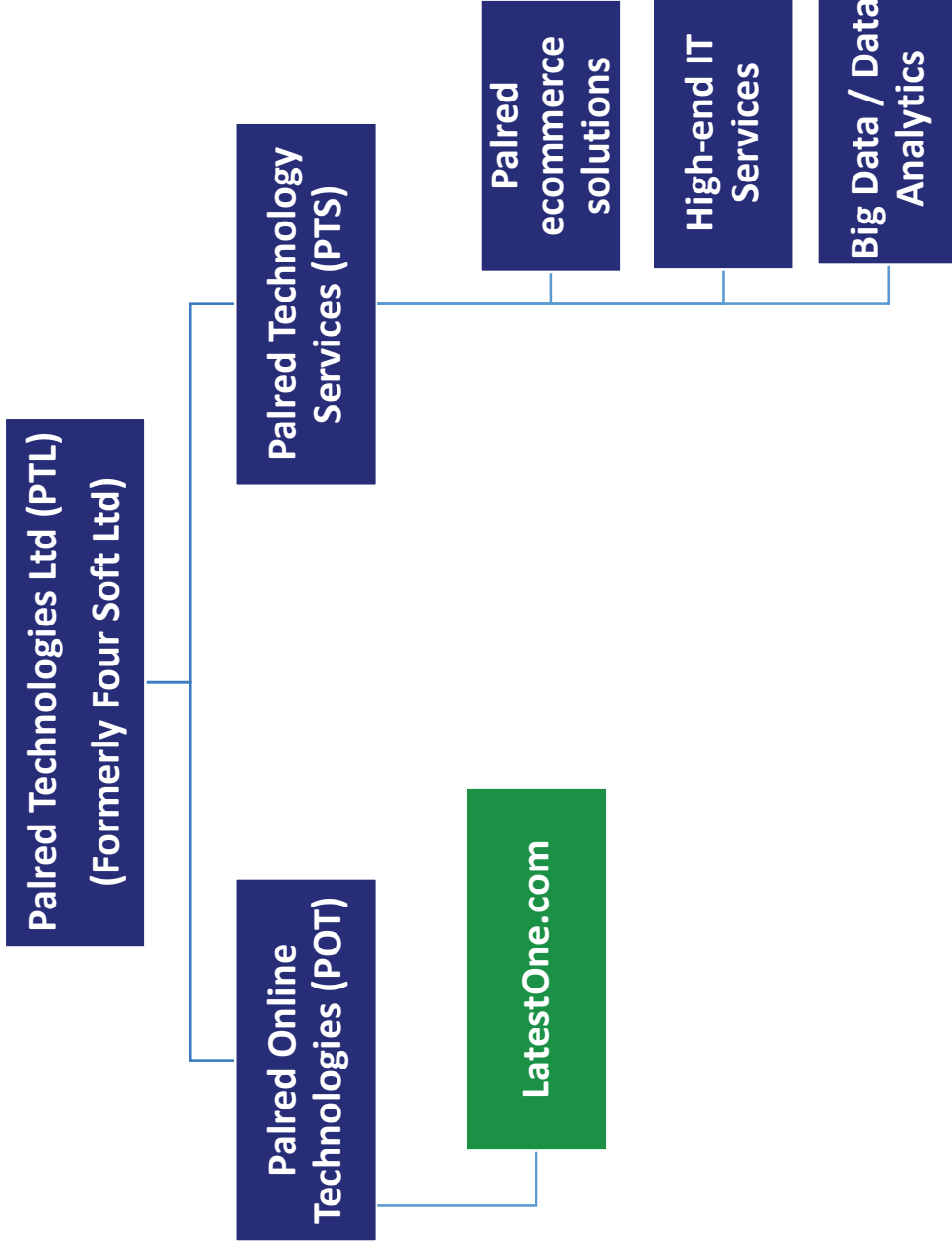
- Founded in 1999
- Listed on BSE and NSE, India's premium Stock Exchanges since 2004
- World's largest Logistics and Transportation Software Product Company with operations in 11 Countries, over 1,000 Employees and 500 Customers across the Globe with combined user base of over 60,000.
- Sale of Business – 2013
 - Value – USD 50 Million
 - Distribution to Shareholders
 - Retain USD 7 Million for New Business

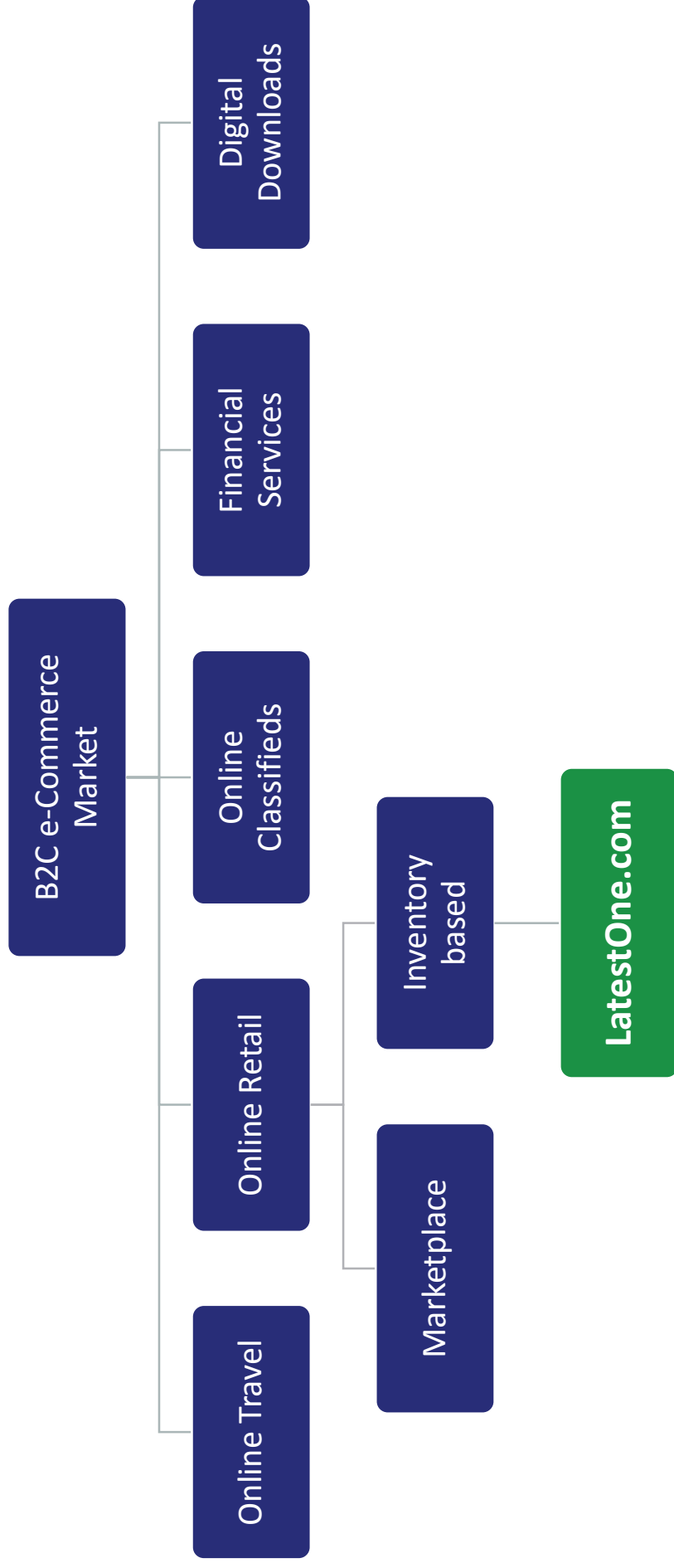


- Change of Name from Four Soft Limited to Palred Technologies Ltd (PTL) – December 2013
- Palred Online Technologies Pvt Ltd (POT - Incubation Company) brought under subsidiary structure of PTL – October 2014
- Palred Technology Services Pvt Ltd (PTS - ecommerce software company) established as a subsidiary of PTL – January 2015
- Cash retained in PTL post sale and distribution to shareholders – 40 Crs
- INR 10 Cr preferential allotment at 220/- per share - December 2015



Corporate Structure





Objectives

- To become a market leader in online tech accessories / products business in India
- INR 1,000 Crore Revenue ecom / e-tail Company by 2021
- Achieve unique position by combination of following factors:
 - Vertical defined by high margin, high volume, moderate value and small in size Products
 - High value addition through combination of technology, systems & processes, fulfillment capabilities and online sales
 - Simplification of a complex business involving continuously changing products and thousands of stock keeping units (SKU) / items
 - Competitive advantage and differentiation by above three parameters
- Augment online sales with small format franchisee operated kiosks



- Superior ecommerce IT solution suitable to Indian markets – responsive design, suited for mobile internet users with low bandwidth (already developed). Ranked above 90% by Google
- End-to-end integration and implementation of Systems, Processes and Automation for efficient and scalable fulfillment operations (implemented) – Offbiz + Talend + AX (ERP)
- Breadth of Product range will be a differentiator (10,000+ SKU's). Simplify complex backend operations, not amenable for horizontal players and market place.
- Source from factories directly and private labelling (PTron), with high margins (above 60%)
- Continuous and timely introduction of new products (ex: Power banks, Smart watches, Smart phone lens, VR Headsets etc). Procurement office in China
- Sales and conversion focused traffic generation, monitoring and management with high ROI (above 5.0 on Gross Revenue)
- Steady and continuous development of brand (LatestOne & PTron)
- 25% direct / organic / seo generated sales by 2021



Mobile & Tech Accessories

- Market size of INR 18,000 crores per year
 - Market size of 40 Crore pieces per year (10 lakhs per day)
 - 10,000+ SKU's
 - Low value items – average order value of less than INR 1,000
 - High volumes (25,000 pieces per day achievable by 2021)
 - High margins (60% and above)
 - Small in size (less than 500 gms, avg weight 200 gms), bin storage in fulfillment center, easy to pick, process, pack & deliver
 - Opportunity for private labelling

 - No vertical specific competitor currently in India in this domain. Marketplace models cannot address this domain satisfactorily

 - New entrant will require two years (minimum) to setup similar operations

 - This category has evolved since 2010 and emerged as a vertical with substantial market size in 2014. Expected to grow at 20% YoY until 2020.
- * Market Size increases by 50% when the list of proposed categories is completed

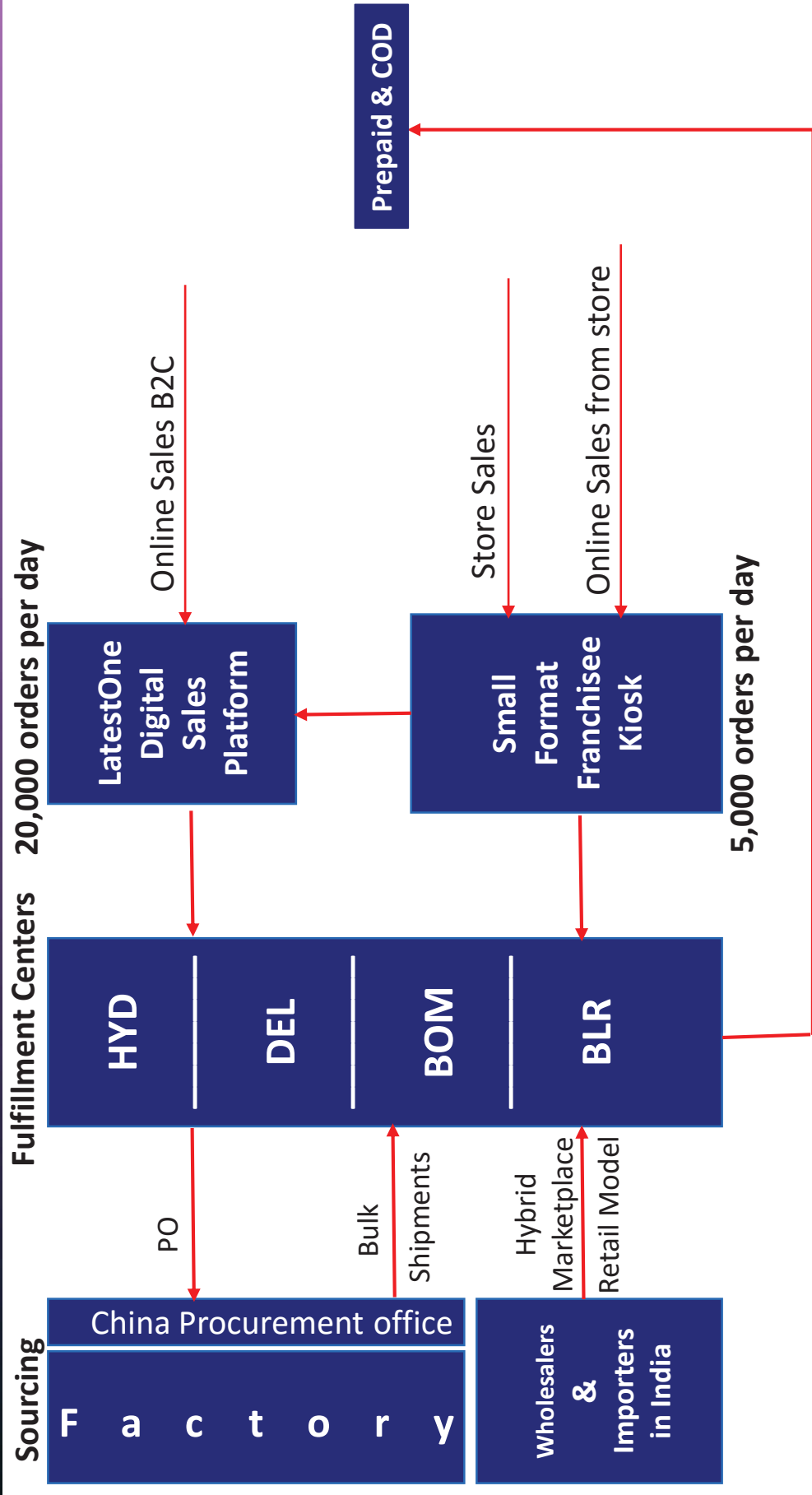


Product Categories

- **Mobile & Tablet Accessories**
 - Mobile Covers & Cases
 - Tablet Covers & Cases
 - Power Banks
 - Chargers & Cables
 - Wired Ear / Head Phones
- **Bluetooth**
 - Fitness Bands
 - Speakers & Headsets
 - Smart Watches
 - Keyboards
- **Virtual Reality Wearables**
- **TV Accessories**
 - Mini PC / Cast / Android TV
 - CC TV
 - Universal Remotes
- **Computers & other accessories**
 - Computer Accessories
 - Printer Consumables
 - Keyboards / Mouse
 - Laptop Batteries
 - Gadgets
 - Camera Accessories
- **Cables**
 - HDMI Cables
 - VGA Cables
 - DVI Cables
 - Toslink Cables
 - AV Cables
 - USB Cables
 - Networking Cables
 - Switches and Converters



Business Model



Execution - Milestones

Jan 2014 - Sep 2014	Oct 2014 - Mar 2015	April 2015 - Mar 2016
<ul style="list-style-type: none"> • Build Technology • Establish systems and processes • Procurement from China • Setup of first fulfillment center (Hyderabad) • Trial operations 	<ul style="list-style-type: none"> • Go Live • 100 orders per day in Oct 2014 • Average order value – INR 400 • Deployed from AWS Cloud (Singapore) • Crossed 2,000 orders per day by Mar 2015 • Expanded to 4,000 SKU's • Conversion 2.50% • Six month revenue of 9 Cr Gross and 7 Cr Net • Dashboards, metrics and reports for end-to-end business controls (Hourly, Daily, Weekly & Monthly) 	<ul style="list-style-type: none"> • Technology upgrade • Page loading time reduced by 50% • Conversion increased from 2.5% to 4.0% • Organic / seo orders 10% • Average order value increased to INR 750 by Mar 2016 • Average of 3,500 orders per day, crossed 5,000 orders in a single day • Second fulfillment center in Delhi operational • Full Year Gross Revenue of 60 Cr and Net Revenue of 40 Cr • Crossed 7,500 SKU's • Alexa Ranking of 1,800



Description	FY 14-15		FY 15-16			
	Q3	Q4	Q1	Q2	Q3	Q4
	Gross ROI	3.97	3.63	2.19	2.10	3.30
Net ROI	3.31	2.72	1.62	1.38	2.21	2.27
COGS	29%	27%	33%	39%	36%	40%
Undelivered Returns (Value)	13%	21%	22%	28%	29%	29%
Average Order Value	485	495	457	519	521	730
Customer Acquisition Cost	128	151	226	260	158	210
No of Orders (in '000)	64	120	207	240	290	290
No of Orders per Day	714	1,340	2,299	2,673	3,216	3,212

➤ Operations started in October 2014



Quarter	Units Sold (Nos)	Net Revenue (Cr)
Q1 15-16	94,369	4.46
Q2 15-16	83,480	4.80
Q3 15-16	72,771	4.54
Q4 15-16	107,279	10.08
Q1 16-17	63,320	7.69
Total	421,219	31.57

Top Selling PTron Products	Net Revenue (Cr)	Average Order Value
Power Banks	10.00	1,000
Bluetooth Headsets	5.00	700
Smart Watches	11.50	1,200
Cables	2.25	350



Repeat Orders from Customers

Month	Repeat Orders from customers	Total orders	%
Q1 15-16	18,618	206,865	9%
Q2 15-16	28,595	240,556	12%
Q3 15-16	38,123	283,460	13%
Q4 15-16	38,741	289,111	13%

- Registered Customers – 1.7 M
- Customers Placed at least one order – 1.4 M
- Customers taken delivery – 1.0 M



Financials – Audited

Description	FY 14-15	FY 15-16
Gross Revenue	9.43	57.69
Undelivered Returns	-1.82	-17.24
VAT	-0.37	-2.37
Net Revenue (A)	7.24	38.08
Growth (YoY)		426%
COGS	2.01	14.34
Customer Acquisition Cost	2.68	22.27
Logistics Cost	1.95	9.9
Service tax expense	0.28	2.72
Total Direct Costs (B)	6.92	49.23
Gross Profit / (Loss) (C=A-B)	0.32	-11.15
Indirect Costs (D)	4.45	8.98
Other Income (E)	0.3	0.7
PBT (C - D + E)	-3.83	-19.43
% of Net Revenue	-53%	-51%



Financials – QoQ up to Q1 FY 16-17

Description	14-15			15-16			16-17
	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Oct-Dec 14	Jan-Mar 15	Apr-Jun 15	Jul-Sep 15	Oct-Dec 15	Jan-Mar 16	Apr-Jun 16
Net Revenue (A)	2.56	4.68	6.71	8.37	9.08	13.92	11.35
Growth (QoQ)		83%	44%	25%	8%	53%	-18%
COGS	0.75	1.26	2.29	3.31	3.08	5.66	4.37
Customer Acquisition Cost	0.84	1.84	4.9	6.8	4.5	6.07	4.64
Logistics Cost	0.63	1.32	1.88	2.25	2.69	3.08	2.15
Total Direct Costs (B)	2.24	4.68	9.64	13.19	10.84	15.56	11.17
Gross Profit / (Loss) (C=A-B)	0.32	0	-2.93	-4.82	-1.76	-1.64	0.18
Indirect Costs (D)	0.84	3.89	2.13	2.95	3.08	3.54	2.27
Other Income (E)	0.15	0.15	0.15	0.19	0.13	0.23	0.12
PBT (C - D + E)	-0.35	-3.48	-4.34	-6.75	-4.14	-4.20	-1.97
% of Net Revenue	-14%	-74%	-65%	-81%	-46%	-30%	-17%



- Increase Average order value to INR 800 (10% increase from Q4 2015-16)
- Increase Organic / Direct / SEO sales from 10% to 15% by March 2017
- Increase clicks to sessions by 10% (from 60% to 66%)
- Reduce undelivered returns (RTO) from 35% to 25%
- Increase prepaid orders from 5% to 15%

LatestOne will become a fully profitable operation if the above tasks are executed successfully. Direct cost break-even (Contribution Positive) achieved in Q1 2016-17



Value Components

- LatestOne.com - ecom Portal for tech & mobile accessories, only player in the vertical
 - Branded Products
 - Semi-branded Products
 - Select un-branded products
- PTron – Largest semi branded name in tech accessories organized retail category
- Small Format Retail Chain with DTP
- Global expansion opportunity (emerging economies)



- Setup Mumbai fulfilment centre as hybrid market place / e-tail
- Setup Franchisee owned small format (150 sft) retail kiosks
- Net Revenue growth 50%
- Bottom line improvement 70%
- Funding options being explored. Above outlook is subject to change if the funding exercise is completed in this FY.



Thank You

