



Date: 29th August, 2017

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

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Bandra Kurla Complex, Bandra (E),
Mumbai- 400051.

Dear Sir/Madam

Sub: Press Release – “Smartwatch for Rs 899, VR Headset for Rs 399: How ecomm marketplace LatestOne found a niche”

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to the above mentioned subject, we herewith submit the exchanges, the enclosed press release submitted by Palred Online Technologies Private Limited, a subsidiary of Palred Technologies Limited, Captioned **“Smartwatch for Rs 899, VR Headset for Rs 399: How ecomm marketplace LatestOne found a niche”**

This is for the information and records of the Exchanges.

Thanking you,

Yours faithfully,
For **Palred Technologies Limited**

For Palred Technologies Limited

Naveen Kumar

Company Secretary

Naveen Kumar
Company Secretary

Encl. as above

PALRED TECHNOLOGIES LIMITED

(FORMERLY KNOWN AS FOUR SOFT LIMITED)

CIN No. : L72200AP1990PLC033131

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

Tele : +91 40 6713 8810 | Website : www.palred.com

Smartwatch for Rs 899, VR Headset for Rs 399: How ecomm marketplace LatestOne found a niche

Name of the Company: [LatestOne.com](#)

Launch date: January 2014

Founding team: Srikanth Palem Reddy

Location: Telangana

Funding Raised in 2017: \$ 3.3 million

Overall Funding Raised Since Starting Up: Rs 70 crore

Strength of the company: NA

Industry it operates in: Ecommerce

The business model is fairly simple. Pick up products from China in bulk, sell them in India with considerable margins and offer warranty on the products to dispel any suspicions on quality. As ecommerce biggies in India -- Flipkart and Amazon - duel each other to grab the biggest market share, one Ecommerce Company's founder thinks it is the depth and not the width that is going to be the key to long term success.



Reddy says LatestOne has been built on "four strong pillars of growth", none of which are regularly bandied about in the Indian ecommerce ecosystem.

After nine months of groundwork which started in January 2014, [Palred Technologies](#) launched its ecommerce website called LatestOne.com in October 2014. The founders had one vision - to build a website that provides them high margin, high volume by selling moderately valued and small sized products.

In order to do this, the founders chose to focus on accessories - starting with mobile accessories, the website has now expanded to computers, tablets, and fashion accessories.

"If you want to buy a Bluetooth speaker or a headset, you get high-end brands which cost nothing less than Rs 7000-10,000. But, how many people can afford that? Most want to buy something in the range of Rs 600-900. While cheaper options are available, but there is no warranty or guarantee with them. We sell affordable products that come with warranty," explains Srikanth Palem Reddy, Chairman of Palred Technologies.

Reddy says LatestOne does not simply act as a marketplace, but works on an inventory led model. "We contract manufacture our products; we are not like those wholesalers and traders," adds Reddy.

Manufactured in China, the company has also recently rolled out its own brand called [PTRON](#), under which it manufactures mobile and other accessories.

The idea is to take this brand to international shores. "Our vision is to create both an international brand of products, and an international ecommerce website," reveals Reddy.

Reddy claims the company has already sold over one million pieces of PTRON products and the net revenue generated by this in-house brand is over Rs 45 crore.

Cheap but quality assured

"We have a very strong position in mobile accessories and are the largest retailer in India. Our customer base is over two million. What we do is basically sell reasonably low priced items which generally have high margins on them. Our proof of concept has now been established and now we are going to quickly scale up," says Reddy.

This public listed company which was earlier called [Four Soft Limited](#) sold its logistics software product business in 2014, distributed the proceeds to its shareholders and invested a part of it to build LatestOne.com.

The company received \$3.3 million in funding this year in a round led by [Florintree Advisors](#), controlled by Mathew Cyriac, former co-head of Blackstone's private equity business in India, and his college mate Chidambaram Palaniappan. Ashish Dhawan, founder of Chrys Capital and an existing investor in the company for over 10 years, K Madhavan, joint managing director of Star TV India, and Bharat Sheth, managing director at Great Eastern Shipping, also participated in this round of funding.

The company has plans to use the funding for product and geographical expansion. With a procurement office in China and two fulfillment centers in India - Delhi and Mumbai, the company has plans to open one more fulfillment in the South of India soon. The promoters have also registered the company in Hong Kong recently and have plans to open its first fulfillment center in China, which is going to be the headquarters of its international business.

"Our vision is to be the leader in this business only in emerging economies like India, Philippines, Malaysia, Indonesia, Turkey, and such other countries," shares Reddy.

Chasing profitability over market share

Talking about ecommerce companies' growth in India, which has primarily come on the back of investors' money, Reddy sounds disdainful of the wrong metrics chosen by ecommerce giants to tout their success stories.

"Every company operating in the ecommerce space today are building their businesses using only funding. Unfortunately, the story of ecommerce in India is only about funding. We operate on a direct cost, profitability basis. The only aspect we do not cover in this are the indirect costs - technology, facilities, people," says Reddy.

Reddy says LatestOne has been built on "four strong pillars of growth", none of which are regularly bandied about in the Indian ecommerce ecosystem.

In order to meet a growing customer demand,etailing companies need a wide base of fulfillment centres. And, while Amazon and Flipkart are also increasingly focusing their investment on this crucial piece of infrastructure, Reddy claims that this has been the focus of LatestOne from the beginning.

"It must be an end-to-end system. The chain of fulfillment centres to inventory centres to shipping must all be tuned to get the delivery done in as short a time as possible. If suddenly you have to process 20 orders in a minute you should be able to do that, even in peak hours. And, we have built those capabilities in our fulfillment centers," says Reddy.

Founders ideate, CEOs execute

In the age where social media plays a big influencer, Reddy believes an ecommerce website need to have a chief executive officer who understands the business and is digitally savvy. Bemoaning the lack of expertise of the founders in executing their businesses, Reddy believes that while many founders are good at ideating yet they fail in execution.

"Many founders come up with great ideas, but they have no execution capabilities or experience of running any of the related businesses. You need to get specialised people," says Reddy. Ameen Khwaja runs the daily operations for LatestOne as the CEO.

All these parameters, claims Reddy, has helped the company bring down the burn rate from a high of Rs 1.5 crore per month to Rs 30 lakh per month in its three years of operations and has helped it quickly expanded from fulfilling 100 orders a day to 5000 currently. The website currently serves a total of 15000 pin codes across the country.