B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Nureca Limited *(formerly known as Nureca Private Limited)*

Report on the Audit of Consolidated Financial Statements

1. Opinion

We have audited the consolidated financial statements of Nureca Limited (hereinafter referred to as the 'Holding Company") *(formerly known as Nureca Private Limited)* and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss, and 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2020 of its consolidated profit and its consolidated cash flows for the year ended on that date.

2. 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 SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

3. Emphasis of matter

We draw attention to Note 27 of the consolidated financial statements, wherein it has been explained that during the year ended 31 March 2020, the Company has recorded the effect of demerger as per the sscheme of arrangement ('Scheme') among Nectar Biopharma Private Limited (demerged company) and Nureca Limited (resulting company) and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act 2013, which has been sanctioned by the Honorable National Company Law Tribunal, Mumbai vide its order dated 29 April 2020. The Scheme has become effective on 23 May 2020 ("Effective date") on filing of certified copy of the order with the Registrar of Companies. The appointed date from which the scheme is operative is 1 April 2019 (the "appointed date"). Pursuant to the above, the Company has accounted for the assets and liabilities so transferred at the book value from demerged company along with the portion of retained earnings pertaining to the specified undertaking and have recorded other adjustments as necessary as stipulated in the Scheme which is also in accordance with the relevant accounting standard.

Our opinion is not modified in respect of this matter.

4. Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Board Report, but does not include the consolidated financial statements and our auditors' 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 and based on the work done, 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.

5. Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are 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 state of affairs, consolidated profit/ loss and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each Company and 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each Company.

6. 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 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.

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 but not for the purpose of expressing an opinion on whether the Group has in place an adequate internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparing consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 such 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 financial information of such entities included in the consolidated financial statements of which we are the independent auditors.

  We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements

We communicate with those charged with governance of the Holding Company 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.

7. Other Matters

(a) The financial information of one subsidiary, whose financial statements/financial information reflect total assets of Rs. 926,734 as at 31 March 2020, total revenues of Rs. 2,002,173 and net cash flows amounting to Rs. 80,053 for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The unaudited financial information 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 the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these 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 financial information certified by the Management.

8. Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit , 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.

c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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 1 April 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) The Group has been exempted from the requirement of its auditor reporting on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of section 143(3)).

(B) 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. There were no pending litigations as at 31 March 2020 which would impact the consolidated financial position of the Group.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company during the year ended 31 March 2020.

iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Audit Report under Section 197(16):

The Company was a private limited company as at 31 March 2020 and accordingly the requirements as stipulated by the provisions of section 197(16) of the Act were not applicable to the Company for the year ended 31 March 2020.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No. 507857
ICAI UDIN: 20507857AAAABO2880

Place: Chandigarh
Date: 31 July 2020

Nureca Limited *(formerly known as Nureca Private Limited)*

Consolidated Balance Sheet as at 31 March 2020

(All amounts are in Indian Rupees, except for share data, and if otherwise stated)

Particulars	Note	As at 31 March 2020
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	3	10,000,000
Reserves and surplus	4	139,548,764
		149,548,764
Non-current liabilities		
Long term borrowings	5	91,493,859
Deferred tax liabilities (net)	6	-
Other long term liabilities		-
Long-term provisions	7	1,016,093
		92,509,952
Current liabilities		
Short term borrowings		-
Trade payables	8	38,149,021
Other current liabilities	9	8,602,656
Short-term provisions	7	23,684,140
		70,435,817
TOTAL		**312,494,533**
ASSETS		
Non-current assets		
Property plant and equipment		
Tangible assets	10	4,545,290
Intangible assets		-
Deferred tax assets (net)	6	346,196
Long-term loans and advances	11	295,624
Other non-current assets		-
		5,187,110
Current assets		
Inventories	12	144,134,658
Trade receivables	13	128,940,379
Cash and cash equivalents	14	738,977
Short-term loans and advances	11	33,493,409
		307,307,423
TOTAL		**312,494,533**
Significant accounting policies	2	

The notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857

Place: Chandigarh
Date: 31 July 2020

For and on behalf of the Board of Directors of
Nureca Limited

Saurabh Goyal
Director
DIN: 00136037

Place: Chandigarh
Date: 31 July 2020

Rajneesh Kaushal
Director
DIN: 07689370

Place: Chandigarh
Date: 31 July 2020

Nureca Limited *(formerly known as Nureca Private Limited)*

Consolidated Statement of Profit and Loss for the year ended 31 March 2020

(All amounts are in Indian Rupees, except for share data, and if otherwise stated)

Particulars	**Note**	**For the year ended 31 March 2020**
Revenue		
Revenue from operations	15	1,017,278,229
Other Income	16	594,016
Total revenue		**1,017,872,245**
Expenses		
Purchase of stock-in-trade	17	677,648,511
Changes in inventories of stock-in-trade	18	(8,642,551)
Employee benefits expense	19	31,635,333
Finance costs	20	7,068,915
Depreciation and amortisation expense	10	771,412
Other expenses	21	223,103,506
Total expenses		**931,585,126**
Profit before tax		**86,287,119**
Tax expense		
Current tax		22,472,712
Deferred tax (credit)		(287,617)
Profit for the year		**64,102,024**
Earnings per equity share (Rs.)	22	
Basic - par value of Rs. 10 per share		64.10
Diluted - par value of Rs. 10 per share		64.10
Significant accounting policies	2	

The notes referred to above form an integral part of these consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857

Place: Chandigarh
Date: 31 July 2020

For and on behalf of the Board of Directors of
Nureca Limited

Saurabh Goyal
Director
DIN: 00136037

Place: Chandigarh
Date: 31 July 2020

Rajneesh Kaushal
Director
DIN: 07689370

Place: Chandigarh
Date: 31 July 2020

Nureca Limited *(formerly known as Nureca Private Limited)*
Consolidated Statement of Cash Flow for the year ended 31 March 2020
(All amounts are in Indian Rupees, except for share data, and if otherwise stated)

Particulars	For the year ended 31 March 2020
Cash flow from operating activities	
Net profit before taxes	86,287,119
Adjustments:	
Depreciation and amortisation expense	771,412
Non Current Investment written off	2,000
Preliminary expenses written off	20,024
Provision for doubtful debts	564,349
Effect of exchange rates on translation of operating cash flows	21,093
Finance cost	7,068,914
Operating cash flow before working capital changes	**94,734,911**
(Increase) in inventories	(8,642,551)
(Increase) in trade receivables	(43,484,016)
(Increase) in loans and advances	(75,727,535)
(Decrease) in trade payables	(56,929,706)
Increase in other liabilities	6,989,226
Increase in provisions	773,837
Cash (used in) operating activities before taxes	**(82,285,834)**
Income tax paid	(62,880)
Net cash (used in) from operating activities	**(82,348,714)**
Cash flow from investing activities:	
Purchase of property, plant and equipment	(4,116,013)
Net cash used in investing activities	**(4,116,013)**
Cash flow from financing activities:	
Interest paid	(5,396,129)
Proceeds/ Repayments from non current borrowings	91,493,859
Net cash from financing activities	**86,097,730**
Net increase in cash and bank balances	**(366,997)**
Cash and cash equivalents at the beginning of the year	**840,066**
Cash and cash equivalents at the beginning of the year (pursuant to scheme of demerger) - Refer note 27	**265,908**
Cash and cash equivalents at the end of the year (refer note 14)	**738,977**

Notes to cash flow statement:-

1. The above Cash Flow Statement has been prepared under the indirect method as set out in the applicable Accounting Standard [Accounting Standard - 3 on "Cash Flow Statement" specified under section 133 of the Companies Act, 2013 ("the Act")]

2. Cash and cash equivalents include :

Cash on hand	20
Balance with banks in current accounts	738,957
Cash and Bank balance at the end of the year	**738,977**

Significant accounting policies 2

The notes referred to above form an integral part of these consolidated financial statements

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857

Place: Chandigarh
Date: 31 July 2020

For and on behalf of the Board of Directors of
Nureca Limited

Saurabh Goyal
Director
DIN: 00136037

Place: Chandigarh
Date: 31 July 2020

Rajneesh Kaushal
Director
DIN: 07689370

Place: Chandigarh
Date: 31 July 2020

NURECA LIMITED (formerly known as Nureca Private Limited)
Notes to the consolidated financial statements for the period ended 31 March 2020
(All amount are in Indian Rupees, except for share data and if otherwise stated)

1. Background

Nureca Limited, formerly known as Nureca Private Limited ('the Holding Company') together with its subsidiaries (collectively referred to as (" the Group") is engaged in the business of trading of healthcare products . The Holding Company was incorporated in India on 02 November 2016 under the provision of the Companies Act, 2013. The Holding Company has changed its status from private limited company to public limited company with effect from 08 July 2020.

2. Significant accounting policies

a) Basis of preparation of consolidated financial statements

These Consolidated financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with the rules thereunder, the relevant provisions of the Companies Act, 2013, pronouncements of the Institute of Chartered Accountants of India and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees. Accounting policies have been consistently applied 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.

The Holding Company has considered the possible effect that may result from the pandemic relating to COVID-19 on the carrying amount of property, plant and equipment, Inventories, receivables, other current assets and on its assessment relating to the going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, read together with the continued financial support from promoter shareholders, the Holding Company as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Holding Company. The Holding Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered with no consequential impact on its assessment related to going concern. The impact of COVID-19 on the Holding Company's financial statements may differ from that estimated as at the date of approval these financial statements.

b) Principal of Consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiaries and have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full. The amount shown in respect of reserves comprise the amount of the relevant reserve as per the Balance Sheet of the Holding Company and its share in the post-acquisition increase/ decrease in the reserves of the consolidated entities.

The excess/deficit of cost of the Holding Company of its investment over its portion of net worth in the consolidated entity at the respective dates on which investment in such entity was made is recognized in the consolidated financial statements as goodwill on consolidation/ capital reserve. The Holding Company's portion of net worth in such entity is determined on the basis of book values of assets and Liabilities as per the financial statements of the entities as on the date of investment and if not available,

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the financial statement for the immediate preceding period adjusted for the effects of significant changes.

The details of the consolidated entity is as follows:

Name of Subsidaries	Country of Incorporation	Effective group Shareholding(%)
Nureca INC.*	USA	100

*w.e.f from 01 April 2019 pursuant to the scheme of demerger

c) Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities on the date of the financial statements. Examples of such estimates include provisions of future obligation under employee benefit plans, useful lives of property, plant and equipments assets and impairment of assets. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

d) Current-non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets
An asset is classified as current when it satisfies any of the following criteria:
a. it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Liabilities
A liability is classified as current when it satisfies any of the following criteria:
a. it is expected to be settled in the Group's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current financial assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.

Operating cycle

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Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group considers its operating cycle to be 12 months period.

e) Property, plant and equipment

Property, plant and equipment and depreciation
Property plant and equipment are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses, if any. The cost of an item of Property plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of Property plant and equipment outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

If significant components of an item of Property plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of Property plant and equipment.

Subsequent expenditure related to an item of Property plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

Depreciation on property plant and equipment is provided using the straight line method and as per the rates corresponding to the useful life specified in Schedule II to the Companies Act, 2013 read with the notification dated 29 August 2014 of the Ministry of Corporate Affairs.

Category of assets	Management estimate of useful life	Useful life as per Schedule II
Computers	3 years	3 years
Office Equipment	5 years	5 years
Furniture & Fixtures	10 years	10 years

Depreciation on additions is provided on a pro-rata basis from the date of acquisition/ installation. Depreciation on sale/ deduction from Property plant and equipment is provided for upto the date of sale/ adjustment, as the case may be.

An item of property plant and equipment is eliminated from the Consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and are shown under 'Other current assets'. Losses arising from retirement or gains or losses arising from disposal of the assets which are carried at cost are recognized in the Statement of Profit and Loss.

Intangible assets and amortisation

Intangible assets which comprise computer software purchased and are stated at acquisition cost less accumulated amortisation and impairment loss, if any. The cost of an item of intangible assets comprises its purchase price, including import duties and other non-refundable taxes or levies and any

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attributable costs of bringing the asset to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under long-term loans and advances and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in the Statement of Profit and Loss over their estimated useful life of 3 years from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

f) Impairment

Property Plant and Equipment are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. 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 CGU.

An impairment loss is 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 recognised.

Impairment losses are recognised in the Statement of Profit and Loss.

g) Revenue recognition

Revenue from sale of goods in the course of ordinary activities is recognised when the property in the goods, or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods as well as regarding its collection. The amount recognised as revenue is exclusive of Goods and Services Tax ('GST'), and is net of returns, trade discounts and quantity discounts.

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h) Inventories

Inventories which comprise traded goods are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, the first input first output method (FIFO) is used.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, 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.

j) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at year end rates. The resultant exchange differences are recognised in the Statement of Profit and Loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

k) Employee benefits

The Group's obligation towards various employee benefits has been recognised as follows:

Short term employee benefits
All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

<u>-Defined contribution plan</u>
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme ('ESI') which is a defined contribution plans. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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-Defined benefit plan

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service.

Actuarial valuation

The liability in respect of gratuity is accrued in the books of account on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other long-term employee benefits

Compensated absences

Benefits under the Group's compensated absences constitute other long-term employee benefits, recognised as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. Estimated liability on account of these benefits is actuarially determined based on the projected unit credit method, using the yield on government bonds, as on the date of the balance sheet, as the discounting rate. Actuarial gains and losses are charged to the Statement of Profit and Loss

l) Income taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Income-tax expense is recognised in the Statement of Profit and Loss except that tax expense related to items recognised directly in reserves is also recognised in those reserves. Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or

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carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. Provisions are measured on an undiscounted basis.

Contingencies
Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

n) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not a probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

o) Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

p) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split.

Diluted earnings/loss per share is calculated by dividing the net profit / (loss) for the year attributable to the equity shareholders by the weighted average number of equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

q) Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts

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or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

r) Segment Reporting

The business of the Group falls within a single line of business is trading in generic pharmaceutical and home healthcare range. All other activities of the Group revolve around its main business. Hence no separate reportable primary segment.

s) Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

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(All amounts are in Indian Rupees, except for share data, and if otherwise stated)

3 Share capital	**As at 31 March 2020**
Authorised	
Equity shares of Rs. 10 each	10,000,000
1,000,000 equity shares of Rs. 10 each #	
	10,000,000
Issued, subscribed and fully paid up	
1,000,000 equity shares of Rs. 10 each fully paid up*	10,000,000
	10,000,000

* 1,000,000 equity shares of Rs.10 each pending for issue and allotment pursuant to the scheme of de- merger to the shareholder of Nureca Private Limited with the appointed date of 01 April 2019. These shares were subsequently allotted on 10 June 2020.

a) Rights, preferences and restrictions attached to equity shares

As per the Memorandum of Association, the Company's authorised share capital consists of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on show of hand or through proxy shall be in proportion to his share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

b) Reconciliation of shares outstanding and the amount of share capital at the commencement and at the end of the year

	As at 31 March 2020	
	Number of shares	**Amount**
Equity shares of Rs. 10 each fully paid up :		
At the beginning of year	10,000	100,000
Less: Shares cancelled during the year #	10,000	100,000
Add: Shares issued during the year #	1,000,000	10,000,000
Outstanding at the end on the year	**1,000,000**	**10,000,000**

c) Particulars of shareholders holding more than 5% shares in the Company:

	As at 31 March 2020	
	Number of shares	**% holding in the shares**
Equity shares of Rs. 10 each fully paid up held by :		
Payal Goyal @	500,000	50%
Saurabh Goyal @	500,000	50%

*(including 1 equity share held in the name of Mr. Saurabh Goyal as a nominee shareholder as per Proviso to Section 187(1) of the Companies Act, 2013

@ represents shares issued but not alloted as on 31 March 2020. These shares were subsequently alloted on 10 june 2020. The shares were deemed issued in the scheme of demerger with retrospective effect from 1 April 2019.

d) During the period commencing from the date of incorporation, i.e.13 April 2015 and ended 31 March 2020, no shares were issued for consideration other than cash and neither any shares have been bought back during the aforesaid period. Also refer note 27.

\# Also refer to note 27

4 Reserves and surplus	**As at 31 March 2020**
Surplus in the Statement of Profit and Loss	
Balance at the beginning of the year	366,351
Balance at the beginning of the year (pursuant to scheme of demerger) - Refer note 27	(224,693)
Amount utilised (also refer to note 27)	98,246,640
Amount transfer (also refer to note 27)	(366,351)
Add: Profit for the year	64,102,024
Less: Share capital issued pursuant to scheme of demerger #	(10,000,000)
Balance at the end of the year	**152,123,971**
Demerger Deficit Reserve account	
Balance at the beginning of the year	-
Adjustment on account of demerger (also refer to note 27)	(12,596,300)
Balance at the end of the year	**(12,596,300)**
Foreign Exchange Flucuation Reserve A/c	
Balance at the beginning of the year	
Balance at the beginning of the year (pursuant to scheme of demerger) - Refer note 27	4,349
Add: Additions during the year	16,744
Balance at the end of the year	**21,093**
	139,548,764

\# Also refer to note 27

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5 Long term borrowings

	As at 31 March 2020
Deposits from directors & relative (unsecured) */#	90,740,000
Loan from Nectar Biopharma Private Limited. @/#	753,859
	91,493,859

* Deposits from directors & relatives carrying interest rates of 8% per annum and is repayable as follows:
- 31 March 2023 — 90,740,000

@ Loan from Nectar Biopharma Private Limited carrying interest rates of 8% per annum and is repayable as follows:
- 31 March 2023 — 753,859

refer note 25

6 Deferred tax assets/(liabilities) (net)

	As at 31 March 2020
Deferred tax asset arising on account of :	
Provision for gratuity	177,177
Provision for compensated absences	97,820
Provision for doubtful debts	142,035
Deferred tax liabilities arising on account of :	
Excess of depreciation and amortisation as per Income Tax Act, 1961 over the depreciation and amortisation as per books of accounts	(70,836)
Deferred tax assets (net)	**346,196**

7 Provisions

	As at 31 March 2020	
	Long term	**Short term**
Provision for employee benefits		
Gratuity (also refer note 23(b))	702,589	1,390
Compensated absences	313,504	75,166
Others:		
Provision for Income tax (net of advance tax of 118,174)	-	23,607,584
	1,016,093	**23,684,140**

8 Trade payables

	As at 31 March 2020
Trade payable	38,149,021
	38,149,021

9 Other current liabilities

	As at 31 March 2020
Statutory liabilities #	2,094,904
Employee related payables*	2,071,699
Interest accrued but not due on borrowing*	568,480
Advances from customers	3,757,793
Other expense payable	109,780
	8,602,656

Pursuant to recent judgement by the Hon'ble supreme court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Company has estimated the impact of the same from post 28 February 2019 and recognised in the financial statement.
Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the company has not recognised any provision for the period prior to date of judgement. Further management also believes that the impact of the same on the company will not be material.

* refer note 25

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(All amounts are in Indian Rupees, except for share data, and if otherwise stated)

10 Property, plant and equipment

	Furniture & Fixtures	Computers	Office Equipments	Total
Gross Block				
Balance as on 1 April 2019	-	315,176	286,811	601,987
Additions during the year	2,093,046	1,008,857	1,014,110	4,116,013
Adjustment on account of demerger (Also refer to note 27)	-	612,911	232,621	845,532
Balance as on 31 March 2020	**2,093,046**	**1,936,944**	**1,533,542**	**5,563,532**
Accumulated Depreciation				
Balance as on 1 April 2019	-	17,879	4,117	21,996
Depreciation during the year	111,470	444,841	215,101	771,412
Adjustment on account of demerger (Also refer to note 27)	-	203,869	20,965	224,834
Balance as on 31 March 2020	**111,470**	**666,589**	**240,183**	**1,018,242**
Net Block				
As at 31 March 2020	**1,981,576**	**1,270,355**	**1,293,359**	**4,545,290**

11 Loans and advances
(Unsecured considered good, unless otherwise stated)

	As at 31 March 2020	
	Long term	**Short term**
Expenses recoverable from related parties	-	35,024
Security deposits	295,624	-
Advance to suppliers	-	10,352,545
Advances to employees	-	96,087
Balance with statutory/ government authorities	-	3,132,149
Prepaid expenses	-	-
Recoverable on account of demerger (also refer to note 27)	-	19,877,604
	295,624	**33,493,409**

12 Inventories
(At cost or net realizable value whichever is lower)

	As at 31 March 2020
Stock in trade	
Branded healthcare products	144,134,658
	144,134,658

13 Trade receivables*
(Unsecured and considered good, unless otherwise stated)

	As at 31 March 2020
Receivables outstanding for a period exceeding six months from the date they are due for payment	
Considered good	-
Considered doubtful	564,349
	564,349
Less: provision for doubtful receivables	(564,349)
	-
Others receivables	128,940,379
	128,940,379

14 Cash and bank balances

	As at 31 March 2020
Cash and cash equivalents	
Cash in hand	20
Balances with banks on current accounts	738,957
	738,977

Information pursuant to G.S.R. 308 (E) dated 30 March 2017 issued by Ministry of corporate affairs:

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

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(All amounts are in Indian Rupees, except for share data, and if otherwise stated)

15 Revenue from operations

		For the year ended 31 March 2020
Sale of branded healthcare products #	1,057,060,986	
Less : Volume discount	39,782,757	1,017,278,229
		1,017,278,229

This amount excludes sales of Rs. 1,725,937 for which invoices were raised before 31 March 2020 and against which goods were dispatched after 31 March 2020.

16 Other Income

	For the year ended 31 March 2020
Interest income	183,524
Exchange gain on foreign exchange fluctuation (net)	410,492
	594,016

17 Purchase of stock-in-trade

	For the year ended 31 March 2020
Purchase of branded healthcare products	677,648,511
	677,648,511

18 Changes in inventories of stock-in-trade

	For the year ended 31 March 2020
Inventory at the beginning of the year	8,353,210
Adjustment on inventory on account of demerger (also refer to note 27)	127,138,897
Inventory at the end of the year	144,134,658
(Increase) in inventories	**(8,642,551)**

19 Employee benefits expense

	For the year ended 31 March 2020
Salaries, wages and bonus (refer note 25)	30,779,481
Contribution to provident and other funds {refer note 23(a)}	721,580
Staff welfare expenses	134,272
	31,635,333

20 Finance costs

	For the year ended 31 March 2020
Interest expense	5,014,712
Other borrowing cost	2,054,203
	7,068,915

21 Other expenses

	For the year ended 31 March 2020
Travelling and conveyance	2,972,519
Advertisement and business promotion	31,305,464
Insurance	380,690
Communication expense	461,045
Legal and professional fees	8,300,115
Rates and taxes	1,991,616
Rent (also refer note 24)	5,753,145
Shifting and handling expenses	9,368,763
Security services	439,657
Power and fuel charges	382,334
Repair and maintenance	1,777,508
CSR Expenditure	518,401
Provision for bad debts	564,349
Freight outward and distribution	50,919,002
Sales commission and incentive	87,796,516
Packing expenses	15,057,613
Miscellaneous expenses	5,114,769
	223,103,506

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22 Basic and diluted earnings per share

	For the year ended 31 March 2020
Calculation of weighted average number of equity shares of Rs. 10 each	
Number of shares at the beginning of the year	1,000,000
Total number of equity shares outstanding at the end of the year	1,000,000
Weighted average number of equity shares outstanding during the year	1,000,000
Net profit after tax available for equity shareholders	64,102,024
Basic earnings per share (in Rupees)	64.10
Diluted earnings per share (in Rupees)	64.10

23 Disclosures in respect of employee benefits under Accounting Standard - 15 'Employee benefits:'

(a) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund and Employee state insurance scheme ('ESI') which are collectively defined as defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund and Employee state insurance scheme ('ESI') for the year aggregated to Rs. 721,580.

(b) Defined benefit plan

Gratuity scheme: This is a defined benefit plan for qualifying employees. The scheme provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

Principal actuarial assumptions used for valuation obligation are as follows:

Particulars	For the year ended 31 March 2020
Discount rate	6.55%
Salary growth rate	10.00%
Expected average remaining working lives of employees (years)	28.90
Retirement age	58
Mortality table	100% of IAL
Withdrawal rates	15%

a) Estimates of future compensation increases considered take into account the inflation, seniority, promotion and other relevant factors.
b) Discount rate is based on the prevailing market yields of Indian Government securities as at year end for the estimated term of the obligations.

The following table summarizes the position of assets and obligations related to the plans:

(i) Changes in present value of obligation

Particulars	For the year ended 31 March 2020
Balance at beginning of the year	-
Interest cost	43,298
Current service cost	473,921
Benefits paid	-
Actuarial loss/(gain) due to change in assumptions	56,035
Actuarial loss/(gain) due to plan experience	2,211
Adjustment on account of demerger (also refer to note 27)	128,514
Balance at end of the year	**703,979**

(ii) The defined benefit obligation for gratuity is an unfunded obligation and accordingly disclosure with respect to plan assets is not applicable

(iii) Amount recognised in Balance Sheet

Particulars	As at 31 March 2020
Liability at the end of the year	703,979
Amount recognised in Balance Sheet	703,979

(iv) Expense recognised in the Statement of Profit and Loss

Particulars	For the year ended 31 March 2020
Current service cost	473,921
Interest cost	43,298
Net actuarial (gain)/ loss recognized in the year	58,246
Expenses recognised in the Statement of Profit and Loss	**575,465**

Experience on actuarial (gain)/ loss for present benefit obligation (PBO) and plan assets are as under:

Particulars	As at 31 March 2020
Defined Benefit Obligation	703,979
Fair value of plan assets	-
(Surplus) / Deficit	703,979
Experience adjustment on liabilities: gain/(loss)	(2,211)

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24 Leases taken by the Company

Operating lease

The Company has leased facilities for its operations under cancellable and non-cancellable operating lease arrangement with lease term of 1 to 10 years, which are subject to renewal at mutual consent thereafter. The cancellable arrangement can be cancelled by either party after giving due notice. The lease rent expense recognised during the current year amounts to Rs. 5,753,145.

The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2020 is: -

	As at 31 March 2020
Not later than one year	2,499,620
Later than one year but not later than five years	2,364,487

25 Related party disclosures under Accounting Standard 18

(a) Name of the related party where control exist:

Description of Relationship	Name of the Party
Director	Mr. Saurabh Goyal

(b) Other related parties with whom transactions have taken place:

Description of Relationship	Name of the Party
Enterprise over which certain key management personnel (KMP) or their relative have significant influence	Trumom Private Limited Nectar Lifesciences Limited

(c) Other related parties with whom transactions have taken place:

Description of Relationship	Name of the Party
Relative of Director	Mrs. Smita Goyal Mrs. Raman Goyal Mr. Aryan Goyal Mrs. Payal Goyal

(d)

Transaction with related parties	Related party relationship	For the year ended 31 March 2020
Managerial remuneration		
Mr. Saurabh Goyal	Director	6,900,000
Salary to shareholders/ relatives		
Ms. Payal Goyal	Relative of director	3,000,000
Ms. Smita Goyal	Relative of director	3,000,000
Mr. Aryan Goyal	Relative of director	6,900,000
Revenue		
Trumom Private Limited	Significant influence of KMP	-
Nectar Lifesciences Limited	Enterprise over which certain relative have significant influence	9,506,580
Purchases		
Nectar Lifesciences Limited	Enterprise over which certain relative have significant influence	189,546,335
Loan Taken		
Ms. Payal Goyal	Relative of director	30,175,000
Mr. Saurabh Goyal	Director	22,210,000
Mrs. Raman Goyal	Relative of director	43,180,000
Mrs. Smita Goyal	Relative of director	2,675,000
Loan Repaid		
Ms. Payal Goyal	Significant shareholder	2,500,000
Mr. Saurabh Goyal	Director	5,000,000
Advance received against supply of goods		
Trumom Private Limited	Significant influence of KMP	1,900,000
Reimbursement of expense paid by the Company		
Trumom Private Limited	Significant influence of KMP	49,974
Interest accrued during the year		
Ms. Payal Goyal	Significant shareholder	174,011
Mr. Saurabh Goyal	Director	138,071
Mrs. Raman Goyal	Relative of director	274,459
Mrs. Smita Goyal	Relative of director	11,140

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(All amounts are in Indian Rupees, except for share data, and if otherwise stated)

Transaction performed by Nectar Biopharma Private Limited pending approval of demerger order received subsequent to year end. (also refer note 27)

Revenue From Operations	992,380,672
Other Income	589,302
Total Revenue	**992,969,973**
Expenses	
Purchase of stock-in-trade	690,576,135
Changes in inventory of stock in trade	23,958,567
Employees Benefits Expenses	31,581,334
Finance Expenses	6,024,991
Depreciation & Amortisation expenses	568,485
Other Expenses	185,480,396
Total expenses	**938,189,909**
Profit Before Tax	**54,780,064**

(e) Balances outstanding at year-end	**Related party relationship**	**As at 31 March 2020**
Expenses Recoverable		
Trumom Private Limited	Significant influence of KMP	35,024
Employee Related Payable		
Mr. Saurabh Goyal	Director	249,000
Mr. Aryan Goyal	Relative of director	450,000
Mrs. Smita Goyal	Relative of director	229,000
Mrs. Payal Goyal	Significant shareholders	125,000
Long term borrowings		
Ms. Payal Goyal	Significant shareholder	27,675,000
Mr. Saurabh Goyal	Director	17,210,000
Mrs. Raman Goyal	Relative of director	43,180,000
Mrs Smita Goyal	Relative of director	2,675,000
Interest accrued but not due		
Ms. Payal Goyal	Significant shareholder	156,610
Mr. Saurabh Goyal	Director	124,264
Mrs. Raman Goyal	Relative of director	247,013
Mrs. Smita Goyal	Relative of director	10,026
Trade Payable		
Nectar Lifesciences Limited	Enterprise over which certain relative have significant influence	6,480,018
Trade Receivables		
Nectar Lifesciences Limited	Enterprise over which certain relative have significant influence	10,115,232
Trumom Private Limited	Significant influence of KMP	-

26 Segment Reporting

The Group is engaged in Trading of branded healthcare products in the domestic market only which is considered to be a single business segment / geographical segment. Accordingly, no disclosure for segment reporting has been made in the financial statements.

27 Demerger

During the year, the Company has taken the effect of demerger as per the scheme of arrangement ('Scheme') among Nectar Biopharma Private Limited (demerged company) and Nureca Private Limited (resulting company) and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act 2013, which has been sanctioned by the Honorable National Company Law Tribunal, Mumbai vide its order dated 29 April 2020. The Scheme has become effective on 23 May 2020 ("Effective date") on filing of certified copy of the order with the Registrar of Companies. The appointed date from which the Scheme is operative 1 April 2019 (the "appointed date"). Accordingly, the Demerged Company has transferred certain portion of business activities as defined in Scheme along with all related assets, liabilities, employees, rights, powers, etc ('Specified Undertaking') to resulting company on going concern basis on 1 Apri 2019.

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The impact of scheme on the audited standalone financials statements as on 1 April 2019 is given below:

a. The equity shares of resulting company held by Demerged Company shall stand cancelled on and from the effective date.

b. On the scheme becoming effective and with effect from the Appointed Date, all assets and liabilities pertaining to specified undertaking as appearing's in books of demerged Company as on appointed date shall stand transferred and recorded in books of resulting company at their respective book values as appearing in books of demerged Company along with the related portion of retained earning. The related portion of retained earning means as on appointed date the reserves appearing in the balance sheet of demerged Company as represented by the surplus/(deficit) in the profit and loss account to the extend of accumulated and accrued profit/(loss) of the specified undertaking from the period of commencement of operations of the specified undertaking up till the appointed date shall be transferred to the resulting company.

c.Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Specified Undertaking of the demerged Company in the resulting Company in terms of Part II of the Scheme, the resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of the Demerged Company, whose name is recorded in the register of members or records of the depositories as members of the Demerged Company, on the Record Date, 1 (one) equity share of INR 10/- (Rupee Ten only) each of the Resulting Company credited as fully paid-up for every 1(one) equity share of INR 10/- (Rupee Ten only) each held by such shareholder of demerged Company ("New Equity Shares"). The ratio in which equity shares of the Resulting Company are to be issued and allotted to the shareholders of the Demerged Company is referred to as the "Share Entitlement Ratio". It is clarified that no cash consideration shall be paid by the Resulting Company to the Demerged Company or its shareholders. Accordingly, the Resulting Company has ascertained 1,000,000 equity shares of Rs. 10 each pending allotment as at 31 March 2020.

salary cost of certain additional employees and key managerial personnel have been identified as relating to the specified undertaking and has been allocated as such, basis the mutual agreement of the Board of Directors of Demerged Company and the resulting Company, in accordance with the terms as specified in the Scheme.

e. The difference of book value of assets and aggregate of book value of liabilities and related portion of retained earning means as on appointed date, shall be adjusted against surplus in Profit and Loss account, to the extent available and the remaining balance, if any, shall be reflected as demerger deficit adjustment account(represented as debit balance of profit and loss account) in the books of the Resulting Company.

f. The balances of assets and liabilities received by the resulting company as on 1 April 2019 pursuant to demerger is as follows:

Assets transferred		
Non current assets		
Property, plant and equipments		845,532
Less: Accumulated deprecation		(224,834)
Net block		620,698
Non current investments		462,354
Deferred tax assets (net) *		74,842
Long term loans and advances (also refer to note g)		348,938
Total non current assets		1,506,832
Current Assets		
Inventories		127,138,897
Trade Receivables		98,537,905
Cash and bank balances (also refer to Note g)		7,531,873
Short Term Loans and Advances		2,775,778
Short Term Loans and Advances (also refer to Note g)		2,770,071
Total current assets		238,754,524
Total Assets	A	**240,261,356**
Liabilities transferred		
Long term borrowings (also refer to Note g)		14,792,173
Long-term provisions		292,599
Total non current liabilities		15,084,772
Current Liabilities		
Short term borrowings (also refer to Note g)		23,071,870
Trade payables		96,761,568
Other current liabilities		914,951
Other current liabilities (also refer to Note g)		2,153,567
Short term provisions		26,213
Short term provisions (also refer to Note g)		17,064,426
Total current liabilities		139,992,595
Total Liabilities	B	155,077,367
Equity share capital cancelled	C	100,000
Retained earning transferred	D	98,246,640
Amount adjusted from accumulated profits to the extent available (also refer to note e)	E	366,351
Amount debited to Demerger deficit adjustment account (also refer to note e)	F=B+D-A-C-E	12,596,300

g. In accordance with the terms of the scheme, the demerged company has retained certain assets and liabilities in its books for the sake of convenience and towards facilitating a single point of contact for realisation of assets and discharge of liabilities to third persons. Accordingly, the Demerged Company has recongnised a net receivable of Rs. 46,431,154 from the resulting Company.

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h. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Resulting company shall automatically stand increased, without any further act, instrument or deed on the part of the Resulting Company, such that upon the coming into effect of this Scheme, the authorized share capital of the Resulting Company shall be INR 100,00,000/- (Rupees One Crore Only) divided into 10,00,000 (ten lacs) equity shares of INR 10 (Rupee Ten Only). Consequently, Clause V of the Memorandum of Association of the Resulting Company shall, upon the coming into effect of this Scheme and without any further act or deed, be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 lo 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:
'V. The Authorised Share Capital of the Company is INR. 10,000,000 (Rupees One Crore Only) divided into 10,00,000 (Ten lacs) Equity Shares of INR. 10/ (Rupees one Only) each."

28 Pursuant to the scheme of demerger as explained in Note 27 above, the investment in subsidiary was transferred by Nectar Biopharma Private Limited with effect from 1 April 2019. Accordingly this is the first year of consolidated financial statements and hence no comparitive information has been provided.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Gaurav Mahajan
Partner
Membership No.: 507857

Place: Chandigarh
Date: 31 July 2020

For and on behalf of the Board of Directors of
Nureca Limited

Saurabh Goyal
Director
DIN: 00136037

Place: Chandigarh
Date: 31 July 2020

Rajneesh Kaushal
Director
DIN: 07689370

Place: Chandigarh
Date: 31 July 2020