

# 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 the Standalone Financial Statements

#### 1. Opinion

We have audited the standalone financial statements of Nureca Limited ("the Company") (formerly known as Nureca Private Limited), which comprise the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss, and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 state of affairs of the Company as at 31 March 2020, and profit and its 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

#### 3. Emphasis of matter

We draw attention to Note 32 of the standalone 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 scheme 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.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N.M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board Report, but does not include the standalone financial statements and our auditors' report thereon.

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

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

**5. Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit



evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control with reference to financial statements and the operating effectiveness of such controls..
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **7. Other matter**

The financial statements of the Company for the year ended 31 March 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 26 July 2019.

Our opinion is not modified in respect of this matter.

#### **8. Report on Other Legal and Regulatory Requirements**

- I. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



- II. (A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss, and standalone statement of cash flows dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 1 April 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) The Company was a private limited Company as at 31 March 2020 and had been exempted from the requirement of its auditor reporting on whether the Company had adequate internal financial controls system in place and the operative effectiveness of such controls (clause (i) of section 143(3)).
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - 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 these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.



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(C) With respect to the matter to be included in the Auditors' 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 BSR & Co. LLP*  
*Chartered Accountants*  
ICAI Firm's Registration No.: 101248W/W-100022



**Gaurav Mahajan**  
*Partner*

Membership No. 507857

UDIN number: 20507857AAAABM9980

Place: Chandigarh  
Date: 31 July 2020

**Annexure 'A' referred to in paragraph 8 (I) of the Independent Auditors' Report to the Members of Nureca Limited (formerly known as Nureca Private Limited) on the standalone financial statements for the year ended 31 March 2020. We report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable.
- (ii) According to the information and explanation given to us, the inventories, except stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its business. As informed to us, the discrepancies noticed on such verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account. For inventory lying with third parties at the year-end, the stock listing has been obtained from the online portal of third parties.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Further, there are no Firms, Limited Liability Partnership and other parties covered in the register required under Section 189 of the Act.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of investment made by the Company, the provisions of section 186 of the Act have been complied with. Further, the Company has not provided any loan under as specified under Section 185 or any guarantee or security as specified under section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the deposits taken by the Company are not covered under the provision of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder where applicable, the directives issued by the Reserve bank of India as applicable. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Employee's State Insurance, Goods and Services Tax ("GST"), Income-tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases of Income Tax and GST during the year. Further, undisputed



dues relating to Provident fund have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income-tax, GST, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable except as follows:

Particular	Period to which amount relates	Amount (in Rs.)*
Provident fund	1 April 2019 to 30 September 2019	Rs. 66,518

\*excluding interest and penalties as applicable

- (b) According to the information and explanations given to us, there are no dues of Income Tax and GST which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing to bank during the year. Further, there are no loans or borrowings from financial institution, Government or dues to debenture holders during the year.
- (ix) The Company did not raised any moneys by way of initial public offer (including debt instruments) or further public offer or term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.
- (xi) The Company was a private limited company as at 31 March 2020 and accordingly the requirements as stipulated by the provisions of Section 197 read with Schedule V to the Act were not applicable to the Company. Accordingly, paragraph 3(xi) of the Order was not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) The Company was a private limited company as at 31 March 2020 and accordingly the requirements as stipulated by the provisions of Section 177 of the Act were not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.



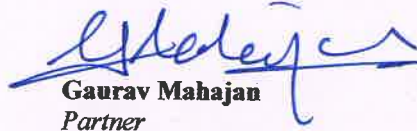
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- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

*For BSR & Co. LLP*

*Chartered Accountants*

ICAI Firm Registration No.: 101248W/W-100022



**Gaurav Mahajan**

*Partner*

Membership No.: 507857

UDIN number: 20507857AAAABM9980

Place: Chandigarh  
Date : 31 July 2020



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

**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	As at 31 March 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital			
Reserves and surplus	3 4	10,000,000 139,895,034	100,000 366,351
		<u>149,895,034</u>	<u>466,351</u>
<b>Non-current liabilities</b>			
Long term borrowings	5	90,740,000	-
Deferred tax liabilities (net)	6	-	16,263
Other long term liabilities		-	-
Long-term provisions	7	1,016,093	-
		<u>91,756,093</u>	<u>16,263</u>
<b>Current liabilities</b>			
Short term borrowings		-	-
Trade payables	8	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		38,393,649	12,130,353
Other current liabilities	9	8,572,088	129,998
Short-term provisions	7	23,684,140	62,880
		<u>70,649,877</u>	<u>12,323,231</u>
<b>TOTAL</b>		<u><u>312,301,004</u></u>	<u><u>12,805,845</u></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Property plant and equipment</b>			
Tangible assets			
Non-current investments	10	4,545,290	579,991
Deferred tax assets (net)	11	460,354	-
Long-term loans and advances	6	346,196	-
Other non-current assets	12 13	295,624 -	21,000 20,024
		<u>5,647,464</u>	<u>621,015</u>
<b>Current assets</b>			
Inventories	14	144,134,658	8,353,210
Trade receivables	15	128,968,602	1,296,002
Cash and cash equivalents	16	393,016	840,066
Short-term loans and advances	12	33,157,264	1,695,553
		<u>306,653,540</u>	<u>12,184,830</u>
<b>TOTAL</b>		<u><u>312,301,004</u></u>	<u><u>12,805,845</u></u>
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of these standalone financial statements.  
As per our report of even date attached

For **BSR & 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

  
Rajneesh Kaushal  
Director  
DIN: 07689370

Place: Chandigarh  
Date: 31 July 2020

Place: Chandigarh  
Date: 31 July 2020

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

**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)

<b>Particulars</b>	<b>Note</b>	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>
<b>Revenue</b>			
Revenue from operations			
Other Income	17	1,017,278,229	7,289,325
<b>Total revenue</b>	18	<u>594,016</u>	<u>24,653</u>
		<u><b>1,017,872,245</b></u>	<u><b>7,313,977</b></u>
<b>Expenses</b>			
Purchase of stock-in-trade	19	677,648,511	12,273,433
Changes in inventories of stock-in-trade	20	(8,642,551)	(7,061,802)
Employee benefits expense	21	31,635,333	18,000
Finance costs	22	7,038,347	25,318
Depreciation and amortisation expense	10	771,412	32,008
Other expenses	23	222,991,404	1,740,381
<b>Total expenses</b>		<u><b>931,442,456</b></u>	<u><b>7,027,339</b></u>
<b>Profit before tax</b>			
Tax expense		<b>86,429,789</b>	<b>286,638</b>
Current tax			
Deferred tax (credit)		22,472,712	62,880
<b>Profit for the year</b>		<u><b>(287,617)</b></u>	<u><b>16,263</b></u>
		<u><b>64,244,694</b></u>	<u><b>207,495</b></u>
<b>Earnings per equity share (Rs.)</b>			
Basic - par value of Rs. 10 per share	25		
Diluted - par value of Rs. 10 per share		64.24	20.75
		64.24	20.75
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of these standalone financial statements.  
As per our report of even date attached

For **BSR & 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)**  
**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	For the year ended 31 March 2019
<b>Cash flow from operating activities</b>		
Net profit before taxes	86,429,789	286,638
<b>Adjustments:</b>		
Depreciation and amortisation expense	771,412	32,008
Non Current Investment written off	2,000	-
Preliminary expenses written off	20,024	-
Provision for doubtful debts	564,349	-
Finance cost	7,038,347	7,758
<b>Operating cash flow before working capital changes</b>	<b>94,825,921</b>	<b>326,404</b>
(Increase) in inventories	(8,642,551)	(7,061,802)
(Increase)/ decrease in trade receivables	(43,512,240)	107,570
(Increase) in loans and advances	(75,391,709)	(1,446,045)
(Decrease)/Increase in trade payables	(56,685,079)	9,164,581
Increase in other liabilities	6,989,226	53,349
Increase in provisions	773,837	-
<b>Cash (used in)/ generated operating activities before taxes</b>	<b>(81,642,595)</b>	<b>1,144,057</b>
Income tax paid	(62,880)	(62,001)
<b>Net cash generated from operating activities</b>	<b>(81,705,475)</b>	<b>1,082,056</b>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(4,116,013)	(601,987)
<b>Net cash used in investing activities</b>	<b>(4,116,013)</b>	<b>(601,987)</b>
<b>Cash flow from financing activities:</b>		
Interest paid	(5,365,562)	-
Proceeds/ Repayments from non current borrowings	90,740,000	-
<b>Net cash generated from financing activities</b>	<b>85,374,438</b>	<b>-</b>
<b>Net (increase)/ decrease in cash and bank balances</b>	<b>(447,050)</b>	<b>480,069</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>840,066</b>	<b>359,997</b>
<b>Cash and cash equivalents at the end of the year (refer note 16)</b>	<b>393,016</b>	<b>840,066</b>

**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	20
Balance with banks in current accounts	392,996	840,046
<b>Cash and Bank balance at the end of the year</b>	<b>393,016</b>	<b>840,066</b>

**Significant accounting policies**

2

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

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022



**Gaurav Mahajan**

Partner

Membership No.: 507857

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



**Saurabh Goyal**

Director

DIN: 00136037



**Rajneesh Kaushal**

Director

DIN: 07689370

Place: Chandigarh  
Date: 31 July 2020

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Date: 31 July 2020

**NURECA LIMITED (formerly known as Nureca Private Limited)**  
**Notes to the standalone 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 Company') was incorporated in India on 02 November 2016. The Company is engaged in the business of trading of healthcare products. The 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 standalone financial statements**

These standalone 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 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 Company as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The 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 Company's financial statements may differ from that estimated as at the date of approval these financial statements.

**b) Use of estimates**

The preparation of 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.

**c) Current-non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company'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 Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;



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

- 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 Company'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 Company 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**

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

**d) 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



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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 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 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.

**e) 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.



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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.

**f) 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.

**g) 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.

**h) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

**i) 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.

**j) Employee benefits**

The Company'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 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.



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

*Post-employment benefits*

*-Defined contribution plan*

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 Company 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 Company'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.

*-Defined benefit plan*

The Company 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 Company'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

**k) 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.



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**NURECA LIMITED (formerly known as Nureca Private Limited)**  
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*(All amount are in Indian Rupees, except for share data and if otherwise stated)*

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 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.

**l) Provisions**

A provision is recognised if, as a result of a past event, the Company 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.

**m) 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.

**n) 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.

**o) 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.



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

**p) 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 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 Company are segregated.

**q) Segment Reporting**

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

**r) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is presented under 'current assets' in consonance with the current/ non-current classification scheme of Schedule III to the Companies Act, 2013. Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss. Profit or loss on sale of investments is determined on the basis of FIFO method.

**s) Corporate Social Responsibility ("CSR") expenditure**

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

**t) 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.



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### 3 Share capital

	As at 31 March 2020	As at 31 March 2019
<b>Authorised</b>		
Equity shares of Rs. 10 each	10,000,000	100,000
1,000,000 (previous year 10,000) equity shares of Rs. 10 each #	<u>10,000,000</u>	<u>100,000</u>
<b>Issued, subscribed and fully paid up</b>		
1,000,000 (previous year 10,000) equity shares of Rs. 10 each fully paid up*	10,000,000	100,000
	<u>10,000,000</u>	<u>100,000</u>

\* 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		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up :				
At the beginning of year	10,000	100,000	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 of the year	<u>1,000,000</u>	<u>10,000,000</u>	<u>10,000</u>	<u>100,000</u>

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% holding in the shares	Number of shares	% holding in the shares
<b>Equity shares of Rs. 10 each fully paid up held by :</b>				
Nectar Biopharma Private Limited*	-	-	10,000	100%
Payal Goyal @	500,000	50%	-	0%
Saurabh Goyal @	500,000	50%	-	0%

\*(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 allotted as on 31 March 2020. These shares were subsequently allotted 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 32.

# Also refer to note 32

### 4 Reserves and surplus

	As at 31 March 2020	As at 31 March 2019
<b>Surplus in the Statement of Profit and Loss</b>		
Balance at the beginning of the year	366,351	158,856
Amount utilised (also refer to note 32)	98,246,640	-
Amount transfer (also refer to note 32)	(366,351)	-
Add: Profit for the year	64,244,694	207,495
Less: Share capital issued pursuant to scheme of demerger #	(10,000,000)	-
Balance at the end of the year	<u>152,491,334</u>	<u>366,351</u>
<b>Demerger Deficit Reserve account</b>		
Balance at the beginning of the year	-	-
Adjustment on account of demerger (also refer to note 32)	(12,596,300)	-
Balance at the end of the year	<u>(12,596,300)</u>	<u>-</u>
	<u>139,895,034</u>	<u>366,351</u>

# Also refer to note 32



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**5 Long term borrowings**

	As at 31 March 2020	As at 31 March 2019
Deposits from directors & relative (unsecured) */#	90,740,000	-
	<u>90,740,000</u>	<u>-</u>
* Deposits from directors & relatives carrying interest rates of 8% per annum ( previous year 8 % per annum ) and is repayable as follows: - 31 March 2023	90,740,000	-
# refer note 28		

**6 Deferred tax assets/(liabilities) (net)**

	As at 31 March 2020	As at 31 March 2019
<i>Deferred tax asset arising on account of :</i>		
Provision for gratuity	177,177	-
Provision for compensated absences	97,820	-
Provision for doubtful debts	142,035	-
<i>Deferred tax liabilities arising on account of :</i>		
Excess of depreciation and amortisation as per Income Tax Act, 1961 over the depreciation and amortisation as per books of accounts	(70,836)	(16,263)
Deferred tax assets (net)	<u>346,196</u>	<u>(16,263)</u>

**7 Provisions**

	As at 31 March 2020		As at 31 March 2019	
	Long term	Short term	Long term	Short term
Provision for employee benefits				
Gratuity (also refer note 26(b))	702,589	1,390	-	-
Compensated absences	313,504	75,166	-	-
Others:				
Provision for Income tax {net of advance tax of 118,174 (previous year Rs. 55,294)}	-	23,607,584	-	62,880
	<u>1,016,093</u>	<u>23,684,140</u>	<u>-</u>	<u>62,880</u>

**8 Trade payables**

	As at 31 March 2020	As at 31 March 2019
- Total outstanding dues of micro enterprises and small enterprises #	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	38,393,649	12,130,353
	<u>38,393,649</u>	<u>12,130,353</u>

# Also, the Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

**Particulars**

	As at 31 March 2020	As at 31 March 2019
(a) The principal amount remaining unpaid to any supplier as at the end of the year.	-	-
(b) The interest due on principal amount remaining unpaid to any supplier as at the end of the year.	-	-
(c) Amount of Interest paid by the Company in terms of section 16 of the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
(d) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(e) Amount of Interest accrued and remaining unpaid at the end of the year.	-	-
(f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the MSMED Act.	-	-



*M*



9 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Statutory liabilities #	2,094,904	43,018
Employee related payables*	2,071,699	-
Interest accrued but not due on borrowing*	537,913	-
Advances from customers	3,757,792	-
Other expense payable	109,780	86,980
	<b>8,572,088</b>	<b>129,998</b>

# 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 28

10 Property, plant and equipment

	Furniture & Fixtures	Computers	Office Equipments	Total
<b>Gross Block</b>				
Balance as on 1 April 2018	-	-	-	-
Additions during the year	-	315,176	286,811	601,987
<b>Balance as on 31 March 2019</b>	-	<b>315,176</b>	<b>286,811</b>	<b>601,987</b>
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 32)	-	612,911	232,621	845,532
<b>Balance as on 31 March 2020</b>	<b>2,093,046</b>	<b>1,936,944</b>	<b>1,533,542</b>	<b>5,563,532</b>
<b>Accumulated Depreciation</b>				
Balance as on 1 April 2018	-	-	-	-
Depreciation during the year	-	17,879	4,117	21,996
<b>Balance as on 31 March 2019</b>	-	<b>17,879</b>	<b>4,117</b>	<b>21,996</b>
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 32)	-	203,869	20,965	224,834
<b>Balance as on 31 March 2020</b>	<b>111,470</b>	<b>666,589</b>	<b>240,183</b>	<b>1,018,242</b>
<b>Net Block</b>				
As at 31 March 2019	-	297,297	282,694	579,991
As at 31 March 2020	1,981,576	1,270,355	1,293,359	4,545,290

11 Non-current investments

Trade investments - (Investment in subsidiaries, valued at cost)

-Unquoted

Investment in equity investments

7,100 (previous year nil equity shares) of Nureca Inc. USA fully paid up at cost #

	As at 31 March 2020	As at 31 March 2019
	460,354	-
	<b>460,354</b>	<b>-</b>

# Transfer from Nectar Biopharma Private Limited pursuant to the scheme of demerger

Transaction performed by Nectar Biopharma Private Limited pending approval of demerger order received subsequent to year end. ( also refer note 32)

12 Loans and advances

(Unsecured considered good, unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	Long term	Short term	Long term	Short term
Expenses recoverable from related parties	-	35,024	-	-
Security deposits	295,624	-	21,000	-
Advance to suppliers	-	10,016,399	-	341,700
Advances to employees	-	96,087	-	-
Balance with statutory/ government authorities	-	3,132,150	-	1,294,363
Prepaid expenses	-	-	-	59,490
Recoverable on account of demerger (also refer to note 32)	-	19,877,604	-	-
	<b>295,624</b>	<b>33,157,264</b>	<b>21,000</b>	<b>1,695,553</b>



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13 Other non-current assets	As at 31 March 2020	As at 31 March 2019
Preliminary expenses (to the extent not written off)	-	20,024
	<u>-</u>	<u>20,024</u>
<b>14 Inventories</b> (At cost or net realizable value whichever is lower)	As at 31 March 2020	As at 31 March 2019
<b>Stock in trade</b>		
Branded healthcare products	144,134,658	8,353,210
	<u>144,134,658</u>	<u>8,353,210</u>
<b>15 Trade receivables*</b> (Unsecured and considered good, unless otherwise stated)	As at 31 March 2020	As at 31 March 2019
Receivables outstanding for a period exceeding six months from the date they are due for payment		
Considered good	-	198,000
Considered doubtful	564,349	-
	<u>564,349</u>	<u>198,000</u>
Less: provision for doubtful receivables	(564,349)	-
	<u>-</u>	<u>198,000</u>
Others receivables	128,968,602	1,098,002
	<u>128,968,602</u>	<u>1,296,002</u>
<b>16 Cash and bank balances</b>	As at 31 March 2020	As at 31 March 2019
<b>Cash and cash equivalents</b>		
Cash in hand	20	20
Balances with banks on current accounts	392,996	840,046
	<u>393,016</u>	<u>840,066</u>

**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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	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>17 Revenue from operations</b>		
Sale of branded healthcare products	1,057,060,986	7,289,325
Less : Volume discount	<u>39,782,757</u>	<u>7,289,325</u>
	<u>1,017,278,229</u>	<u>7,289,325</u>
# This amount excludes sales of Rs. 1,725,937 (Previous year Nil) for which invoices were raised before 31 March 2020 and against which goods were dispatched after 31 March 2020.		
<b>18 Other Income</b>		
Interest income	183,524	-
Exchange gain on foreign exchange fluctuation (net)	410,492	14,653
Miscellaneous income	-	10,000
	<u>594,016</u>	<u>24,653</u>
<b>19 Purchase of stock-in-trade</b>		
Purchase of branded healthcare products	<u>677,648,511</u>	<u>12,273,433</u>
	<u>677,648,511</u>	<u>12,273,433</u>
<b>20 Changes in inventories of stock-in-trade</b>		
Inventory at the beginning of the year	8,353,210	1,291,408
Adjustment on inventory on account of demerger (also refer to note 32)	127,138,897	-
Inventory at the end of the year	<u>144,134,658</u>	<u>8,353,210</u>
(Increase) in inventories	<u>(8,642,551)</u>	<u>(7,061,802)</u>
<b>21 Employee benefits expense</b>		
Salaries, wages and bonus (refer note 28)	30,779,481	18,000
Contribution to provident and other funds (refer note 26(a))	721,580	-
Staff welfare expenses	<u>134,272</u>	<u>-</u>
	<u>31,635,333</u>	<u>18,000</u>
<b>22 Finance costs</b>		
Interest expense	4,984,144	17,758
Other borrowing cost	<u>2,054,203</u>	<u>7,560</u>
	<u>7,038,347</u>	<u>25,318</u>
<b>23 Other expenses</b>		
Travelling and conveyance	2,972,519	-
Advertisement and business promotion	31,305,464	29,800
Insurance	380,690	-
Communication expense	461,045	-
Legal and professional fees *	8,216,995	37,000
Rates and taxes	1,991,616	59,678
Rent (also refer note 27)	5,753,145	491,649
Shifting and handling expenses	9,368,763	-
Security services	439,657	-
Power and fuel charges	382,334	7,982
Repair and maintenance	1,777,508	-
CSR Expenditure ( also refer note 24)	518,401	-
Provision for bad debts	564,349	-
Freight outward and distribution	50,919,002	2,250
Sales commission and incentive	87,796,516	1,090,003
Packing expenses	15,057,613	-
Miscellaneous expenses	<u>5,085,787</u>	<u>22,019</u>
	<u>222,991,404</u>	<u>1,740,381</u>
* includes payment to auditors (exclusive of goods and service tax)		
As auditor		
Statutory audit	310,000	7,500
Tax audit	-	2,500
	<u>310,000</u>	<u>10,000</u>
# paid to erstwhile statutory auditor		
<b>24 Details of Corporate Social Responsibility expenditure:</b>		
Particular	For the year ended 31 March 2020	For the year ended 31 March 2019
Gross amount required to be spent by the Company during the year	3,339	-
Actual spent during the year	518,401	-



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25 Basic and diluted earnings per share

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Calculation of weighted average number of equity shares of Rs. 10 each</b>		
Number of shares at the beginning of the year		10,000
Total number of equity shares outstanding at the end of the year	10,000	10,000
Weighted average number of equity shares outstanding during the year	1,000,000	10,000
Net profit after tax available for equity shareholders	64,244,694	207,495
<b>Basic earnings per share (in Rupees)</b>	64.24	20.75
<b>Diluted earnings per share (in Rupees)</b>	64.24	20.75

26 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 (Previous year Nil).

(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 32)	128,514
<b>Balance at end of the year</b>	<b>703,979</b>

(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
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>575,465</b>

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)

27 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 (Previous year Rs. 491,649).  
The future minimum lease payments in respect of non-cancellable operating leases as at 31 March 2020 is: -

Not later than one year

Later than one year but not later than five years

	As at 31 March 2020	As at 31 March 2019
Not later than one year	2,499,620	-
Later than one year but not later than five years	2,364,487	-



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28 Related party disclosures under Accounting Standard 18

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

Description of Relationship	Name of the Party
Subsidiary	Nureca INC.
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	For the year ended 31 March 2019
<b>Managerial remuneration</b>		
Mr. Saurabh Goyal	6,900,000	-
<b>Salary to shareholders/ relatives</b>		
Ms. Payal Goyal	3,000,000	-
Ms. Smita Goyal	3,000,000	-
Mr. Aryan Goyal	6,900,000	-
<b>Revenue</b>		
Trumom Private Limited	-	372,729
Nectar Lifesciences Limited	9,506,580	-
<b>Purchases</b>		
Nectar Lifesciences Limited	189,546,335	-
Nureca INC.	2,002,173	-
<b>Loan Taken</b>		
Ms. Payal Goyal	30,175,000	-
Mr. Saurabh Goyal	22,210,000	-
Mrs. Raman Goyal	43,180,000	-
Mrs. Smita Goyal	2,675,000	-
<b>Loan Repaid</b>		
Ms. Payal Goyal	2,500,000	-
Mr. Saurabh Goyal	5,000,000	-
<b>Advance received against supply of goods</b>		
Trumom Private Limited	1,900,000	-
<b>Reimbursement of expense paid by the Company</b>		
Trumom Private Limited	35,024	-
<b>Interest accrued during the year</b>		
Ms. Payal Goyal	174,011	-
Mr. Saurabh Goyal	138,071	-
Mrs. Raman Goyal	274,459	-
Mrs. Smita Goyal	11,140	-
Transaction performed by Nectar Biopharma Private Limited pending approval of demerger order received subsequent to year end. (also refer note 32)		
<b>Revenue From Operations</b>	992,380,672	-
<b>Other Income</b>	589,301	-
<b>Total Revenue</b>	<u>992,969,973</u>	<u>-</u>
<b>Expenses</b>		
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	-
<b>Total expenses</b>	<u>938,189,908</u>	<u>-</u>
<b>Profit Before Tax</b>	54,780,065	-



(e) Balances outstanding at year-end	Related party relationship	As at 31 March 2020	As at 31 March 2019
<b>Expenses Recoverable</b>			
Trumom Private Limited	Significant influence of KMP	35,024	-
<b>Employee Related Payable</b>			
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	-
<b>Long term borrowings</b>			
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	-
<b>Interest accrued but not due</b>			
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	-
<b>Trade Payable</b>			
Nectar Lifesciences Limited	Enterprise over which certain relative have significant influence	6,480,018	-
<b>Trade Receivables</b>			
Nectar Lifesciences Limited	Enterprise over which certain relative have significant influence	10,115,232	-
Trumom Private Limited	Significant influence of KMP	-	439,820

29 The Company's foreign currency exposure that are not hedged by derivative instrument or otherwise is as under :

Particulars	Currency of Transaction	As on 31 March 2020		As on 31 March 2019	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Advances to suppliers	USD	\$120,020	9,047,795	-	-
Trade Payable	USD	\$217,805	16,419,426	-	-

30 Segment Reporting

The Company is engaged in Trading of 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.

31 Disclosure pursuant to section 186(4) of the Companies Act, 2013 in respect of investment made in subsidiary companies and other related party

Particulars	As at 31 March 2020	As at 31 March 2019
Investment balance at the beginning of the year	-	-
Investment received in the scheme of demerger (also refer to note 32)	462,354	-
Investment made/ (written off) during the year	(2,000)	-
Investment balance at the end of the year	460,354	-
Maximum investment balance during the year	462,354	-

32 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. Accordingly, there has been no changes which have been made to the comparative numbers and current year financials are to that extent not comparable with previous year financials.

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 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.

d. 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.



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

	As at 1 April 2019
<b>Assets transferred</b>	
<b>Non current assets</b>	
Property, plant and equipments	845,532
Less: Accumulated depreciation	(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
<b>Total non current assets</b>	<u>1,506,832</u>
<b>Current Assets</b>	
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
<b>Total current assets</b>	<u>238,754,524</u>
<b>Total Assets</b>	<b>A 240,261,356</b>
<b>Liabilities transferred</b>	
Long term borrowings (also refer to Note g)	14,792,173
Long-term provisions	292,599
<b>Total non current liabilities</b>	<u>15,084,772</u>
<b>Current Liabilities</b>	
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
<b>Total current liabilities</b>	<u>139,992,595</u>
<b>Total Liabilities</b>	<b>B 155,077,367</b>
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 recognised a net receivable of Rs. 46,431,154 from the resulting Company.

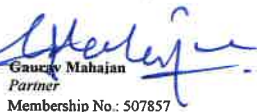
h. As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the Resulting company shall automatically stand increased, without any further act, instrument or deed on the part of the Resulting Company, such that upon the coming into effect of this 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 to 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."

33 Previous year financial statements were audited by another firm of Chartered accountants.

As per our report of even date attached

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

  
 Gaudiv 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