

B S R & Co. LLP

Nureca Limited
Audit of Special Purpose Interim Consolidated
Financial Statements for the period ended
30 September 2020

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Board of Directors of **Nureca Limited**

Opinion

We have audited the special purpose interim consolidated financial statements of Nureca Limited ('the Company' / 'Holding Company') and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the special purpose interim consolidated balance sheet as at 30 September 2020, the special purpose interim consolidated statement of profit and loss (including other comprehensive income), the special purpose interim consolidated statement of changes in equity and the special purpose interim consolidated statement of cash flows for the period from 1 April 2020 to 30 September 2020 and a summary of the significant accounting policies and other explanatory information (collectively referred to as 'special purpose interim consolidated financial statements').

In our opinion, the aforesaid special purpose interim consolidated financial statements give a true and fair view of the consolidated state of affairs of the Group as at 30 September 2020, the consolidated profit (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows for the period from 1 April 2020 to 30 September 2020, in accordance with basis of preparation as explained in Note 2.1 to the special purpose interim consolidated financial statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('Act'). Our responsibilities under those Standards are further described in the *Auditors' responsibilities for the Audit of the Special purpose interim consolidated financial statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 36 of the special purpose interim consolidated financial statements which describes the accounting for the Scheme of Arrangement ("Scheme") of between the Company and Nectar Biopharma Private Limited, erstwhile Holding Company. The Scheme has been approved by the National Company Law Tribunal ('NCLT') vide its order dated 29 April 2020 and a certified copy has been filed by the Company with the Registrar of Companies, Mumbai, on 23 May 2020. The appointed date as per the NCLT approved Scheme is 1 April 2019 and as per the requirements of Appendix C to Ind AS 103 "Business Combination", the combination has been accounted for as if it had occurred from the beginning of the preceding period in the financial statements. Accordingly, the amounts for the period from 1 April 2020 to 30 September 2020 include the impact of the business combination. The aforesaid note (Note 36) also describes in detail the impact of the business combination on the financial statements.

Our opinion is not modified in respect of this matter.



Responsibility of Management and Those Charged with Governance for the special purpose interim consolidated financial statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these special purpose interim consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with basis of preparation as explained in Note 2.1 to the special purpose interim consolidated financial statements. The respective 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 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 special purpose interim 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 special purpose interim consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the special purpose interim 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 management 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 is responsible for overseeing the financial reporting process of each company.

Auditors' responsibilities for the Audit of the Special Purpose Interim Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose interim 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 special purpose interim 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 special purpose interim 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 the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of special purpose interim 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 special purpose interim 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 special purpose interim consolidated financial statements, including the disclosures, and whether the special purpose interim 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 special purpose interim consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. We remain solely responsible for our audit opinion.

We believe that the audit evidence obtained by us along with the unaudited interim financial information furnished by the management referred in Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the special purpose interim consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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.

Other Matter

The Special Purpose Interim Consolidated Financial Statements of three subsidiaries, whose interim financial information reflect total assets (before consolidation adjustments) of Rs. 2.21 million as at 30 September 2020, total revenues (before consolidation adjustments) of Rs. 0.04 for the six months ended 30 September 2020 and net cash flows outflow (before consolidation adjustments) to Rs. 0.56 million for the six months ended on that date, as considered in the Special Purpose Interim Consolidated Financial Statements, have not been audited either by us or by other auditors. These unaudited interim financial information have been furnished to us by the Management and our opinion on the Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited interim financial information. In our opinion and according to the information and explanations given to us by the Management, this unaudited interim financial information is not material to the Group.

Our opinion on the special purpose interim consolidated financial statements is not modified in respect of the above matter.



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Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2.1 to the special purpose interim consolidated financial statements, which describes the basis of accounting. The special purpose interim consolidated financial statements are prepared for the purpose of preparation of the Restated Consolidated Financial Information, which will be included in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus in connection with the proposed issue of equity shares of the Company by way of a fresh issue. As a result, the special purpose interim consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the Company and should not be used by or distributed to parties other than the Company. Our opinion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

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



Gaurav Mahajan

Partner

Membership No.: 507857

ICAI UDIN: 21507857AAAAAC9443

Place: Chandigarh

Date: 19 January 2021


Nureca Limited
Special Purpose Interim Consolidated Balance Sheet
(Amount in INR million, unless otherwise stated)

Particulars	Notes	As at		
		30 September 2020	31 March 2020	1 April 2019
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	1	4.66	4.55	1.21
(b) Right-of-use assets	2	17.40	6.09	4.30
(c) Financial assets				
- Investments	3	-	-	0.00
- Loans	4	0.39	0.25	0.02
(d) Deferred tax assets (net)	27	13.66	0.42	0.07
Total non-current assets		36.11	11.31	5.60
(2) Current assets				
(a) Inventories	5	303.36	164.26	135.49
(b) Financial assets				
- Trade receivables	6	40.08	128.97	88.56
- Cash and cash equivalents	7	108.62	0.74	1.11
- Other bank balances	8	443.80	-	-
- Other financial assets	9	2.74	19.88	-
(c) Other current assets	10	90.17	13.67	4.47
Total current assets		988.77	327.52	229.63
Total assets		1,024.88	338.83	235.23
Equity and liabilities				
(1) Equity				
(a) Equity share capital	11	70.00	0.10	0.10
(b) Other equity	12	446.45	149.24	85.33
Total equity		516.45	149.34	85.43
Liabilities				
(2) Non-current liabilities				
(a) Financial liabilities				
- Borrowings	13	48.95	93.45	2.60
(b) Provisions	14	3.70	1.01	0.29
Total non-current liabilities		52.65	94.46	2.89
(3) Current liabilities				
(a) Financial liabilities				
- Borrowings	13	44.20	0.75	-
- Trade payables	15	-	-	-
- total outstanding dues of micro and small enterprises		-	-	-
- total outstanding dues of creditors other than micro and small enterprises		182.86	58.31	97.60
- Other financial liabilities	16	6.85	4.16	48.19
(b) Other current liabilities	17	118.14	8.12	1.03
(c) Provisions	14	0.10	0.08	0.03
(d) Current tax liabilities (net)	18	103.63	23.61	0.06
Total current liabilities		455.78	95.03	146.91
Total liabilities		508.43	189.49	149.80
Total equity and liabilities		1,024.88	338.83	235.23

The above Special Purpose Interim Consolidated Balance Sheet should be read with the Basis of Preparation and Significant Accounting Policies appearing in notes to the Special Purpose Interim Consolidated Financial Statements.


As per our report of even date attached.


For **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Gaurav Mahajan
Partner
Membership Number: 507857

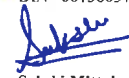
Place: Chandigarh
Date: 19 January 2021


For and on behalf of Board of Directors of
Nureca Limited


Saurabh Goyal
Managing Director
DIN: 00136037


Rajinder Sharma
Director
DIN: 00317133


Aryan Goyal
Chief Executive Officer


Sakshi Mittal
Chief Financial Officer


Gurvikram Singh
Company Secretary
Membership Number: 60255

Place: Chandigarh
Date: 19 January 2021


Nureca Limited
Special Purpose Interim Consolidated Statement of Profit and Loss
(Amount in INR million, unless otherwise stated)

Particulars	Notes	For the period	
		1 April 2020 to 30 September 2020	For the year ended 31 March 2020
I Revenue from operations	19	1,221.45	994.26
II Other income	20	8.28	0.61
III Total income (I + II)		1,229.73	994.87
IV Expenses			
Purchase of stock-in-trade	21	632.76	674.85
Changes in inventories of stock-in-trade	22	(153.86)	(28.82)
Employee benefits expense	23	10.92	31.57
Finance costs	24	11.83	7.73
Depreciation expense	25	1.78	3.74
Other expenses	26	239.85	219.72
Total expenses (IV)		743.28	908.79
V Profit before tax (III-IV)		486.45	86.08
VI Tax expense:			
(i) Current tax	27	137.89	22.47
(ii) Deferred tax	27	(13.24)	(0.34)
Total tax expense		124.65	22.13
VII Profit for the period/year (V-VI)		361.80	63.95
VIII Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligation		0.01	(0.06)
Income tax relating to remeasurement of defined benefit obligation		(0.00)	0.01
(ii) Net change in fair value of equity instruments through other comprehensive income		-	-
Income tax related to net change in fair value of equity instruments through other comprehensive income		-	-
Items that will be reclassified to profit or loss			
(i) Exchange differences on translating the financial statements of a foreign operation		0.00	0.01
Income tax relating to translating the financial statements of a foreign operation		-	-
(ii) Net change in fair value of equity instruments through other comprehensive income (FVOCI)		-	(0.00)
Income tax relating to net change in fair value of equity instruments through other comprehensive income		-	-
Total other comprehensive income/(loss) for the period/year (net of tax)		0.01	(0.04)
IX Total comprehensive income for the period/year (VII+VIII)		361.81	63.91
Earnings per equity share			
Basic and diluted [nominal value of INR 10 per share]	28	51.69	9.14

The above Special Purpose Interim Consolidated Statement of Profit and Loss should be read with the Basis of Preparation and Significant Accounting Policies appearing in notes to the Special Purpose Interim Consolidated Financial Statements.

As per our report of even date attached.


For **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022


Gaurav Mahajan
Partner
Membership Number 507857


For and on behalf of Board of Directors of
Nureca Limited


Saurabh Goyal
Managing Director
DIN 00136037


Sakshi Mittal
Chief Financial Officer


Rajinder Sharma
Director
DIN 00317133


Aryan Goyal
Chief Executive Officer


Gurbikram Singh
Company Secretary
Membership Number 60255

Place: Chandigarh
Date: 19 January 2021

Place: Chandigarh
Date: 19 January 2021


Nureca Limited
Special Purpose Interim Consolidated Statement of Changes in Equity
(Amount in INR million, unless otherwise stated)

Particulars	As at 30 September 2020		As at 31 March 2020		As at 1 April 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
A Equity share capital						
Balance at the beginning of the period/year	10,000	0.10	10,000	0.10	10,000	0.10
Add: Share capital issued pursuant to scheme of arrangement (refer note 36)	1,000,000	10.00	-	-	-	-
Less: Share capital cancelled pursuant to scheme of arrangement (refer note 36)	(10,000)	(0.10)	-	-	-	-
Add: Bonus share issued during the period/year	6,000,000	60.00	-	-	-	-
Balance at the end of the period/year	7,000,000	70.00	10,000	0.10	10,000	0.10
B Other equity (Refer note 12)						
Share application money pending allotment						
Equity share capital pending allotment pursuant to arrangement	10.00					
Equity share capital pending cancellation pursuant to arrangement	(0.10)					
Reserves and surplus						
Capital reserve	(12.96)		(12.96)			
Retained earnings	88.40		88.40			
Foreign currency translation reserve	(0.01)		(0.01)			
Other comprehensive income						
Net change in fair value of equity instruments through other						
Total equity						
Balance as at 1 April 2019						85.33
Total comprehensive income for the year						
Add: Profit for the year						63.95
Add: Other comprehensive income/loss (net of tax) for the year						(0.04)
Total comprehensive income for the year						149.24
Add/Less: Transfer to retained earnings						(0.00)
Balance as at 31 March 2020						149.24
Balance as at 1 April 2020						149.24
Total comprehensive income for the period						
Add: Profit for the year						361.80
Add: Other comprehensive income/loss (net of tax) for the period						0.01
Total comprehensive income for the period						361.81
Add: Share capital cancelled pursuant to scheme of arrangement						(0.10)
Less: Share capital issued pursuant to scheme of arrangement	(10.00)					(10.00)
Add: Share application money received during the period	5.30					5.30
Less: Bonus share issued during the period	-					(60.00)
Add/Less: Transfer to retained earnings	-					-
Balance as at 30 September 2020						446.45

The above Special Purpose Interim Consolidated Statement of Changes in Equity should be read with the Basis of Preparation and Significant Accounting Policies appearing in notes to the Special purpose interim consolidated Financial Statements

As per our report of even date attached.


For BSR & Co. LLP
Chartered Accountants
Firm registration number: 101248W/W-100022

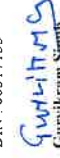

Gaurav Mishra
Partner
Membership Number : 507857

For and on behalf of Board of Directors of
Nureca Limited


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DIN: 00136037


Sakshi Mittal
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Rajinder Sharma
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DIN : 00317133


Gurvirkam Singh
Company Secretary
Membership Number: 60255


Aryan Goyal
Chief Executive Officer

Place Chandigarh
Date: 19 January 2021

Nureca Limited
Special Purpose Interim Consolidated Statement of Cash Flows
(Amount in INR million, unless otherwise stated)

Particulars	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
Cash flows from operating activities		
Profit before tax for the year	486.45	86.08
Adjustments for:		
Depreciation expense	1.78	3.74
Non-current investment written off	-	0.00
Expected credit loss on trade receivables	-	0.56
Income on unwinding of security deposits	0.00	(0.02)
Unrealised foreign exchange (gain)	(0.67)	(0.18)
Finance costs	11.83	7.73
Interest income	(2.97)	(0.18)
Operating cash flows before working capital changes	496.42	97.73
Working capital adjustments		
(Increase) in inventories	(139.10)	(28.77)
Decrease / (increase) in trade receivables	88.88	(40.97)
Increase / (decrease) in trade payables	125.22	(39.12)
(Increase) in Loans	(0.14)	(0.23)
(Increase) in other current assets	(56.68)	(23.20)
(Decrease) in other financial liabilities	-	(52.42)
Increase in other current liabilities	110.04	7.09
Increase in provisions	2.72	0.72
Cash generated from / (used in) operating activities	627.36	(79.17)
Income tax paid (net)	(64.83)	(0.06)
Net cash generated from / (used in) operating activities (A)	562.53	(79.23)
Cash flows from investing activities		
Purchase of property, plant and equipment	(0.67)	(4.12)
Interest received	0.23	0.18
Investment in other bank balances	(443.80)	-
Net cash used in investing activities (B)	(444.24)	(3.94)
Cash flows from financing activities		
Proceeds from share application money pending allotment	5.30	-
Payment of lease liabilities (including interest)	(1.80)	(3.36)
Interest paid	(2.59)	(5.37)
Repayment of borrowings	(54.77)	(7.50)
Proceeds from borrowings	43.45	98.99
Net cash (used in) / generated from financing activities (C)	(10.41)	82.76
Net increase/(decrease) in cash and cash equivalents (A+B+C)	107.88	(0.41)
Effect of exchange rate fluctuations on cash & cash equivalents held in foreign currency	0.00	0.04
Cash and cash equivalents at the beginning of the period/year	0.74	1.11
Cash and cash equivalents at the end of the period/year	108.62	0.74
Components of cash and cash equivalents		
Cash on hand	-	0.00
Balances with banks:		
- In current accounts	108.62	0.74
Total cash and cash equivalents (Note 7)	108.62	0.74

Refer note 13C for changes in liabilities arising from financing activities


Notes:

The Special purpose interim consolidated statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".


The above Special purpose interim consolidated statement of cash flows should be read with the basis of preparation and significant accounting policies appearing in notes to the notes to the special purpose interim consolidated financial statements.

As per our report of even date attached.

for **B S R & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022


Gurpreet Mahajan
Partner
Membership Number: 507857


For and on behalf of Board of Directors of
Nureca Limited


Saurabh Goyal
Managing Director
DIN 00136037


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Director
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Aryan Goyal
Chief Executive Officer


Sakshi Mittal
Chief Financial Officer


Gurvikram Singh
Company Secretary
Membership Number: 60255

Place: Chandigarh
Date: 19 January 2021

Place: Chandigarh
Date: 19 January 2021

1. Corporate information

The Special Purpose Interim Consolidated Financial Statements comprise financial information of Nureca Limited, formerly known as Nureca Private Limited ('the Company') and its subsidiaries, (collectively, the Group). The Company was incorporated in India on 02 November 2016 under the provisions of the Companies Act, 2013 (CIN U24304MH2016PLC320868). The Group is engaged in the business of home healthcare and wellness products. During the period, the Company has changed its status from private limited company to public limited company with effect from 08 July 2020. The registered office of the company is located at 128 Gala Number Udyog Bhavan, 1st Floor Sonawala Lane, Goregaon E, Mumbai – 400063.

The Special Purpose Interim Consolidated Financial Statements is approved for issue by the Company's Board of Directors in their meeting held on 19 January 2021.

2. Significant accounting policies

2.1 Basis of preparation

The Special Purpose Interim Consolidated Balance Sheet of the Group as at 30 September 2020, 31 March 2020 and 01 April 2019, Special Purpose Interim Consolidated Statement of Profit and Loss (including other comprehensive income), Special Purpose Interim Consolidated Statement of Changes in Equity and Special Purpose Interim Consolidated Cash Flow Statement for each of the period/year ended 30 September 2020, and 31 March 2020, and other consolidated financial statements (together referred as 'Special Purpose Interim Consolidated Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Group's financial statements upto and for the year ended 31 March 2020 were prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP").

As these are Group's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. The transition was carried out from Indian GAAP. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Group has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 39).

Functional and presentation currency

Items included in the Special Purpose Interim Consolidated Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Special Purpose Interim Consolidated Financial Statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 10,000 have been rounded and are presented as INR 0.00 million in the Special Purpose Interim Consolidated Financial Statements.

Basis of measurement

The Special Purpose Interim Consolidated Financial Statements has been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities (including derivative)	Fair value
Defined benefits obligation	Present value of defined benefits obligations

Handwritten initials: SG, A

Handwritten initials: PWS

Handwritten initials: S

Handwritten initials: S



2.2 Basis of consolidation

The financial information of the Company and its subsidiaries is combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

Profits or losses resulting from intra-group transactions are eliminated in full.

Foreign operations

Revenue items are consolidated at the average rate prevailing during the period / year. All assets and liabilities are converted at rates prevailing at the end of the period / year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve (FCTR).

The Special Purpose Interim Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The carrying amount of the Company's investment in subsidiaries is offset (eliminated) against the Company's portion of equity in subsidiaries.

The detail of consolidated entity as follows:

Name of subsidiary	Country of incorporation	Percentage of ownership #		
		As at 30 September 2020	As at 31 March 2020	As at 01 April 2020
Nureca Inc.	USA	100%	100%	100%
Nureca Healthcare Private Limited*	India	100%	N.A	N.A
Nureca Technologies Private Limited \$	India	100%	N.A	N.A

Transfer from Nectar Biopharma Private Limited pursuant to the scheme of arrangement which was approved by NCLT on 29 April 2020 (also refer note 36)

* Incorporated on 11 August 2020

\$ Incorporated on 13 July 2020

2.3 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of Special Purpose Interim Consolidated Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Special Purpose Interim Consolidated Financial Statements.

2.3.1 Current vs non-current classification

The Group presents assets and liabilities in the Special Purpose Interim Consolidated Financial Statements of Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;



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- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.3.2 Business combinations

Ind AS 103, Business Combinations, prescribes significantly different accounting for business combinations which are not under common control and those under common control.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

The pooling of interest method is considered to involve the following:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies.
- (c) The identity of the reserves has been preserved and appear in the financial information of the transferee in the same form in which they appeared in the financial information of the transferor.
- (d) The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

2.3.3 Property, plant and equipment

Recognition and Initial Measurement

Property, plant and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the Group and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

Cost of asset includes:

- a) Purchase price, net of any trade discounts and rebates;
- b) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use; and
- c) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Subsequent measurement

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the expenditure can be measured reliably.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.



Depreciation and useful lives

Depreciation on property, plant and equipment is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013.

Particulars	Management estimated useful life	Useful life as per Schedule II
Computers	3 Years	3 Years
Office Equipment	5 Years	5 Years
Furniture and fixtures	10 Years	10 Years

Depreciation on additions to/deductions from property, plant and equipment during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed

Each part of an item of property, plant and equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Special Purpose Interim Consolidated Statement of Profit and Loss when the asset is derecognized.

2.3.4 Impairment of non-financial assets

At each reporting date, the Group assesses, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories are recognized in the Special Purpose Interim Consolidated Statement of Profit and Loss.

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.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior period. Such reversal is recognized in the Special Purpose Interim Consolidated Statement of Profit and Loss.



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2.3.5 Inventories

- a) Inventories (which comprise traded goods) are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis.
- b) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis.

2.3.6 Revenue recognition

The specific recognition criteria described below must also be met before revenue is recognized.

a) Sale of products

Revenue from sale of products is recognized at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

b) Contract balances

- **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.
- **Trade receivables:** A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
- **Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

c) Right of return

Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund



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liability. A right of return asset and corresponding adjustment to change in inventory is also recognized for the right to recover products from a customer.

The Group has adopted Ind AS 115 from 1 April 2019 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on 1 April 2019. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Group.

The Group has also applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has recognized such cost as an expense when incurred if the amortization period of the asset is one year or less.

2.3.7 Taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the period/year and is computed in accordance with relevant tax regulations. Current tax is recognized in Special Purpose Interim Consolidated Statement of profit and loss except to the extent it relates to items recognized outside profit or loss in which case it is recognized outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognized in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in Special Purpose Interim Consolidated Statement of profit and loss except to the extent it relates to items recognized outside profit or loss, in which case is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.3.8 Foreign currencies

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.



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Exchange differences arising on settlement of monetary items, as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Special Purpose Interim Consolidated Statement of profit and loss in the period/year in which they arise. These exchange differences are presented in the Special Purpose Interim Consolidated Statement of profit and loss on net basis.

2.3.9 Employee benefit

a) Short-term employee benefits

Employee benefits such as salaries, short term compensated absences, and other benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the Special Purpose Interim Consolidated Statement of profit and loss in in the period in which the employee renders the related services.

b) Post-employment benefits

- **Defined Contribution Plan:** A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group makes specified monthly contribution to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme ('ESI') which is a defined contribution plan. The Group's contribution is recognized as an expense in the Special Purpose Interim Consolidated Statement of profit and loss during the period/year in which the employee renders the related service.

- **Defined Benefit Plan:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plan, the obligation for any benefits remains with the Group. The Group's liability towards gratuity is in the nature of 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.

The liability in respect of gratuity is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method.

The Group's net obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date.

Re-measurement, comprising actuarial gains and losses, is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to Special Purpose Interim Consolidated Statement of profit and loss.

Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognized in the Special Purpose Interim Consolidated Statement of profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Group recognizes related restructuring costs or termination benefits.



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c) Other long-term employee benefits

Benefits under the Group's compensated absences constitute other long-term employee benefits, recognized as an expense in the Special Purpose Interim Consolidated Statement of profit and loss for the period in which the employee has rendered services. The obligation recognized in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognized in the Special Purpose Interim Consolidated Statement of profit and loss as employee benefit expenses.

Certain employees were transferred from Nectar Biopharma Private Limited pursuant to the scheme of arrangement, approved by NCLT on 29 April 2020 (also refer note 36). The process of completing the formalities pertaining to transfer of such employees has been fully completed on 01 September 2020.

2.3.10 Cash and cash equivalents

Cash and cash equivalent includes cash on hand, cash at banks and short-term deposits 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 change in value.

For the purpose of the Special Purpose Interim Consolidated Statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

2.3.11 Provisions, contingent assets and contingent liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

c) Contingent assets

Contingent assets are not recognized though are disclosed, where an inflow of economic benefits is probable.



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2.3.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

a) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Special Purpose Interim Consolidated Statement of profit and loss.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities



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iii) Short term lease and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

iv) Single discount rate

The Group has applied the available practical expedient with respect to single discount rate wherein single discount rate is used for portfolio of leases with reasonably similar characteristics.

The Group has given adjustments for lease accounting in accordance with Ind AS 116 from 1 April 2019, and all the related figures have been reclassified/ regrouped to give effect to the requirements of Ind AS 116. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Special Purpose Interim Consolidated Statement of Balance Sheet.

The Group has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date when applying Ind AS 116 initially:

- a. lease liability is recognized, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- b. a right of use assets is recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Special Purpose Interim Consolidated Statement of Balance Sheet immediately before the date of initial application

2.3.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

a) Financial assets

Initial recognition and measurement

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus s transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in Special Purpose Interim Consolidated Statement of Profit and Loss.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period/year the Group changes its business model for managing financial assets.



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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (designated as FVOCI – equity investment). The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income ('OCI'). There is no recycling of the amounts from OCI to Special Purpose Interim Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Special Purpose Interim Consolidated Statement of Profit and Loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest rate method ('EIR'). The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in Special Purpose Interim Consolidated Statement of Profit and Loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in Special Purpose Interim Consolidated Statement of Profit and Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Impairment of financial assets

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are measured at amortized cost e.g., deposits, trade receivables and bank balance.
- Financial assets that are measured as at FVTOCI
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115



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The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Special Purpose Interim Consolidated Statement of profit and loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Special Purpose Interim Consolidated Statement of Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

The Group does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its Special Purpose Interim Consolidated Statement of Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

b) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

The Group has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortized cost

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense is recognized in the Special Purpose Interim Consolidated Statement of profit and loss. Any gain or loss on derecognition is also recognized in the Special Purpose Interim Consolidated Statement of profit and loss.



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Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Special Purpose Interim Consolidated Statement of profit and loss.

c) Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Special Purpose Interim Consolidated Statement of Balance Sheet if there is a currently enforceable contractual legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

2.3.14 Fair value measurement

The Group measures financial instruments at fair value at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Special Purpose Interim Consolidated Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted (unadjusted) prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the Special Purpose Interim Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.3.15 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period/year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period/year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period/year, unless issued at a later date. Dilutive potential equity shares are determined independently for each period/year presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods/years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.3.16 Segment reporting

The business of the Group falls within a single line of business i.e. business of home healthcare and wellness products. All other activities of the Group revolve around its main business. Hence no separate reportable primary segment.

2.3.17 Special Purpose Interim Consolidated Statement of cash flows

Special Purpose Interim Consolidated Statement of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

2.3.18 Significant accounting estimates and judgments

The estimates used in the preparation of the Special Purpose Interim Consolidated Financial Statements of each period/year presented are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the Special Purpose Interim Consolidated Financial Statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.



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Significant judgements

• **Allowances for uncollected trade receivables**

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

• **Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which management have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes Although there can be no assurance of the final outcome of legal proceedings in which the Group is involved. it is not expected that such contingencies will have material effect on its financial position of probability.

• **Impairment of other financial assets**

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation., based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

• **Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes current tax payable, based on reasonable estimates. The amount of such current tax payable is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

• **Recoverability of deferred taxes**

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

• **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model.



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Significant estimates

- **Defined benefit plans**

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- **Useful lives of property, plant and equipment**

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. At the end of the current reporting period, the management determined that the useful lives of property, plant and equipment at which they are currently being depreciated represent the correct estimate of the lives and need no change.

- **Leases - Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- **Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Special Purpose Interim Consolidated Statement of Assets and Liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
(Amount in INR million, unless otherwise stated)

Note 1 - Property, plant and equipment

Particulars	As at		Gross carrying amount		Accumulated depreciation		Net block	
	1 April 2020	30 September 2020	Additions	Disposals	Charge for the period	Disposals	1 April 2020	30 September 2020
Furniture and fixtures	2.09	2.09	-	-	0.10	-	1.98	1.88
Office equipment	1.50	2.17	0.67	-	0.18	-	1.28	1.77
Computers	1.73	1.73	-	-	0.28	-	1.29	1.01
Total	5.32	5.99	0.67	-	0.56	-	4.55	4.66

Particulars	As at		Gross carrying amount		Accumulated depreciation		Net block	
	1 April 2019	31 March 2020	Additions	Disposals	Charge for the year	Disposals	1 April 2019	31 March 2020
Furniture and fixtures	-	2.09	2.09	-	0.11	-	-	1.98
Office equipment	0.49	1.50	1.01	-	0.22	-	0.49	1.28
Computers	0.72	1.73	1.01	-	0.44	-	0.72	1.29
Total	1.21	5.32	4.11	-	0.77	-	1.21	4.55

Notes

a) The Group has elected Ind AS 101 exemption to continue with the carrying value for all of its Property, Plant and Equipment as its deemed cost as at the date of transition.



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
(Amount in INR million, unless otherwise stated)

Note 2 - Right-of-use assets

The Group has entered into agreements for leasing office premises on lease. The leases typically run for a period of 1-10 years with lock in term of 3 years after which the lease is subject to termination at the option of lessee or lessor.

a. Information about leases for which the Group is a lessee is presented below

Right-of-use assets - Building

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Balance as at beginning of the period/year	6.09	4.30	-
Additions	15.59	2.12	4.68
Additions on account of arrangement #	-	2.64	-
Deletion	(3.06)	-	-
Depreciation for the period / year	(1.22)	(2.97)	(0.38)
Balance as at end of the period/year	17.40	6.09	4.30

Transfer from Nectar Biopharma Private Limited pursuant to the scheme of arrangement which was approved by NCLT on 29 April 2020 (also refer note 36)

b. The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Special Purpose Interim Consolidated Statement of Profit and Loss.

c. Set out below are the carrying amounts of lease liabilities and the movements during the period/year:

Lease liabilities

included in the statement of consolidated assets and liabilities

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Current	4.42	3.59	1.70
Non-current	12.98	2.71	2.60
Total	17.40	6.30	4.30

Balance as at beginning of the period/year

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Balance as at beginning of the period/year	6.30	4.30	-
Additions	15.59	4.70	4.61
Deletions	(3.10)	-	-
Accredition of interest	0.42	0.66	0.10
Payment of lease liabilities	(1.81)	(3.36)	(0.41)
Balance as at end of the period/year	17.40	6.30	4.30

d. As at period/year end date, the Group is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

e. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Maturity analysis – contractual undiscounted cash flows

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Less than one year	4.42	3.59	1.70
After one year but not longer than three years	20.52	3.27	3.18
Total	24.94	6.86	4.88

f. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

g. The Group has also taken certain office premises and office equipment on lease with contract terms within one year. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use-assets and lease liabilities for these leases. The expenses relating to short-term leases and /or leases of low-value items for which the recognition exemption has been applied have been charged to the Special Purpose Interim Consolidated Statement of Profit and Loss on straight line basis.

h. The table below provides details regarding amounts recognised in the Special Purpose Interim Consolidated Statement of Profit and Loss:

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
Expenses relating to short-term leases and/or leases of low-value items	0.07	0.27
Variable lease payments	0.69	2.12
Interest on lease liabilities	0.42	0.66
Depreciation expense	1.22	2.97
Total	2.40	6.02

i. The following are the amounts recognised in consolidated statement of cash flows:

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
Total cash outflow for leases	2.56	5.75

j. For the transitional impact of Ind AS 116 and accounting policy, refer accounting policy

Note 3 - Investments

Non-current Investments

Unquoted investments (fully paid-up)

In Other Companies (at fair value through OCI)

Nil (31 March 2020: Nil, 1 April 2019: 200) equity shares of INR 10/- each fully paid up of Nureca Electronics Limited #

Total

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Unquoted investments (fully paid-up)	-	-	0.00 ^
Total	-	-	0.00 ^
Aggregate value of unquoted investments	-	-	0.00 ^
Aggregate amount of impairment in value of investments *	-	0.00 ^	-

Transfer from Nectar Biopharma Private Limited pursuant to the scheme of arrangement which was approved by NCLT on 29 April 2020 (also refer note 36)

^ The total value of shares in absolute value was INR 2,000/- but for reporting purpose rounded upto INR 0.00 Million.

* The Group has identified impairment as at 30 September 2020: INR Nil (31 March 2020: INR 0.00, 1 April 2019: INR Nil). The impairment on financial assets is recognised within other comprehensive income and transferred to retained earnings on derecognition of equity instruments. Since amount is not material, it is not separately reflected in the Special Purpose Interim Consolidated Financial Statements. Nureca Electronics Limited ceased to exist on 03 December 2019.



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
(Amount in INR million, unless otherwise stated)

Note 4 - Non-current Loans

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Security deposits	0.39	0.25	0.02
	0.39	0.25	0.02
Break-up for security details:			
Loans receivables considered good - unsecured	-	0.25	0.02
	-	0.25	0.02
Less: expected credit loss allowance	-	-	-
	-	0.25	0.02

Note 5 - Inventories
(At lower of cost and net realizable value)

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Stock-in-trade	303.36	164.26	135.49
	303.36	164.26	135.49

Notes:
Includes goods-in-transit

	106.67	20.13	-
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Note 6 - Trade receivables

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
From related parties (refer note 31)	-	10.14	5.63
From others	40.64	119.39	82.93
Less: expected credit loss allowance	(0.56)	(0.56)	-
	40.08	128.97	88.56

Break-up for security details:

Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	40.08	128.97	88.56
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	0.56	0.56	-
	40.64	129.53	88.56
Less: expected credit loss allowance	(0.56)	(0.56)	-
	40.08	128.97	88.56

Movement in expected credit loss allowance of trade receivable

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Balance at the beginning of the period/year	0.56	-	-
Additions during the period/year	-	0.56	-
Balance at the end of the period/year	0.56	0.56	-

Note 7 - Cash and cash equivalents

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Balances with bank			
- In current accounts	108.62	0.74	1.11
Cash on hand	-	0.00	0.00
	108.62	0.74	1.11

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Balances with bank:			
- In current accounts	108.62	0.74	1.11
Cash on hand	-	0.00	0.00
	108.62	0.74	1.11

Note 8 - Other bank balances

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Earmarked balances with bank *	5.30	-	-
Bank deposits with original maturity of more than three months but less than twelve months	438.50	-	-
	443.80	-	-

*Includes INR 5.3 (31 March 2020: INR Nil, 1 April 2019: INR Nil) towards share application money for issue of shares under preferential allotment. The funds are received in an escrow account and are restricted till the allotment of equity shares.

Note 9 - Other financial assets

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Recoverable on account of arrangement (also refer note 36)	-	19.88	-
Interest accrued not due on fixed deposits	2.74	-	-
	2.74	19.88	-

Note 10 - Other current assets

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Balances with government authorities	44.03	3.13	1.29
Prepaid expenses	-	-	0.06
Advances to employees	0.13	0.10	-
Advances to suppliers	31.02	10.35	3.12
Expenses recoverable from related parties	0.18	0.04	-
Right to recover returned goods	14.81	0.05	-
	90.17	13.67	4.47

Note 11 - Equity share capital

Authorised			
11,000,000 (1 March 2020: 10,000, 01 April 2019: 10,000) equity shares of INR 10 each #	110.00	0.10	0.10

Issued, subscribed and paid-up			
7,000,000 (31 March 2020: 10,000, 01 April 2019: 10,000) equity shares of INR 10 each fully paid up #	70.00	0.10	0.10

Also, refer note 36



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
(Amount in INR million, unless otherwise stated)

a) Rights, preferences and restrictions attached to equity shares

As per the memorandum of association, the Company's authorised share capital consist 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. Shareholders are entitled to one vote per equity share held in 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 the number of equity shares outstanding at the beginning and end of the reporting year:

	As at 30 September 2020		As at 31 March 2020		As at 01 April 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the period/year	10,000	0.10	10,000	0.10	10,000	0.10
Add: shares issued during the period/year (Refer note 36)	1,000,000	10.00	-	-	-	-
Less: shares cancelled during the period/year (Refer note 36)	(10,000)	(0.10)	-	-	-	-
Add: bonus shares issued during the period/year	6,000,000	60.00	-	-	-	-
Balance at the end of the period/year	7,000,000	70.00	10,000	0.10	10,000	0.10

c) Details of shareholders holding more than 5 percent equity shares in the Group:

	As at 30 September 2020		As at 31 March 2020		As at 01 April 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Nector Biopharma Private Limited*	14	0.00	10,000	100.00	10,000	100.00
Payal Goyal	3,499,979	50.00	-	-	-	-
Saurabh Goyal	3,499,979	50.00	-	-	-	-
	6,999,972	100.00	10,000	100.00	10,000	100.00

* Including Nil (31 March 2020: 1, 1 April 2019: 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.

d) Aggregate number of shares allotted or fully paid up from the date of incorporation i.e 2 November 2016 till the balance sheet date pursuant to contract without payment received in cash and/or by way of fully paid bonus shares

Particulars	30 September 2020	31 March 2020	31 March 2019	31 March 2018	1 April 2017
	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares
Shares allotted as per approved scheme of arrangement	1,000,000	-	-	-	-
Bonus shares issued	6,000,000	-	-	-	-

Note:- As per approval of Honorable National Company Law Tribunal ('NCLT') for 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, with effect from appointed date of 1 April 2019, the Company cancelled 10,000 shares and issued 1,000,000 shares for consideration other than cash on 10 June 2020.

Note 12 - Other equity

	As at 30 September 2020	As at 31 March 2020	As at 01 April 2019
a Share application money pending allotment			
Balance at the beginning of the period/year	-	-	-
Share application money received during the period/year	5.30	-	-
Balance at the end of the period/year	5.30	-	-
b Equity share capital pending allotment pursuant to arrangement (refer note 36)			
Balance at the beginning of the period/year	10.00	10.00	10.00
Movement during the period/year	(10.00)	-	-
Balance at the end of the period/year	-	10.00	10.00
c Equity share capital pending cancellation pursuant to arrangement (refer note 36)			
Balance at the beginning of the period/year	(0.10)	(0.10)	(0.10)
Movement during the period/year	0.10	-	-
Balance at the end of the period/year	-	(0.10)	(0.10)
d Capital reserve			
Balance at the beginning of the period/year	(12.96)	(12.96)	(12.96)
Movement during the period/year	-	-	-
Balance at the end of the period/year	(12.96)	(12.96)	(12.96)
e Retained earnings			
Balance at the beginning of the period/year	152.30	88.40	26.16
Add: Profit for the period/year	361.80	63.95	62.24
Add: Other comprehensive (loss)/ income for the period/year (remeasurement of defined benefit plans, net of tax)	0.01	(0.05)	(0.00)
Less: equity instruments derecognised during the period/year (refer note g below)	-	(0.00)	-
Less: Bonus Shares issued during the period/year	(60.00)	-	-
Balance at the end of the period/year	454.11	152.30	88.40
f Foreign currency translation reserve			
Balance at the beginning of the period/year	0.00	(0.01)	(0.00)
Less: Movement during the period/year	0.00	0.01	(0.01)
Balance at the end of the period/year	0.00	0.00	(0.01)
g Net change in fair value of equity instruments through other comprehensive income			
Balance at the beginning of the period/year	-	-	-
Less: Movement during the period/year	-	(0.00)	-
Add: Transferred to retained earnings	-	0.00	-
Balance at the end of the period/year	-	-	-
Total	446.45	149.24	85.33

Nature of reserves

a. Share application money pending allotment

Share application money pending allotment represents monies received against shares pending to be issued as at 30 September 2020.

b. Equity share capital pending allotment pursuant to arrangement

Equity share capital pending allotment pursuant to arrangement is on account of the business combination under common control as per the Court approved scheme which have been allotted on 10 June 2020. Also, refer refer note 36.

c. Equity share capital pending cancellation pursuant to arrangement

Equity share capital pending cancellation pursuant to arrangement is on account of the business combination under common control as per the Court approved scheme which have been cancelled on 10 June 2020. Also, refer note 36.

d. Capital reserve

Capital reserve is on account of the business combination under common control as per the Court approved scheme.

e. Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

f. Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve. When the cumulative amount is reclassified to profit or loss when the Group disposes or partially disposes of its interest in a foreign operation through sale, liquidation, repayment of share capital or abandonment of all or part of that unit.

g. Equity instruments through other comprehensive income

The Group has elected to recognize changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the equity instrument through OCI within equity. The Group transfers amount therefrom to retained earnings when the equity instruments are derecognized.




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(Amount in INR million, unless otherwise stated)

Note 13 - Borrowings

A. Non-current borrowings

Unsecured

Deposits from directors & their relatives (refer note 31)
 Lease liability (refer note 2)

Total non-current borrowings (including current maturities)

Less: current maturities of lease liabilities (refer note 2 and 16)

Notes	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
(a)	35.97	90.74	-
	17.40	6.30	4.30
	53.37	97.04	4.30
(b)	(4.42)	(3.59)	(1.70)
	48.95	93.45	2.60

Notes:

(a) Deposits from directors & their relatives carry interest rate of 8% (31 March 2020: 8%, 1 April 2019: Nil) per annum and are repayable by 31 March 2023.

(b) Current and non-current classification is based on contractual maturities.

B. Current borrowings

Unsecured

Inter corporate deposits

- from related party (refer note 31)

- from others

Notes	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
(c)	2.20	0.75	-
(d)	42.00	-	-
	44.20	0.75	-

Notes:

(c) Inter corporate deposits from related parties include deposit of INR 1.46 (31 March 2020: Nil, 01 April 2019: Nil) from Trumom Private Limited carrying interest rate of 6% (31 March 2020: Nil, 01 April 2019: Nil) per annum and are repayable by 10 April 2021 and deposit of INR 0.74 (31 March 2020: INR 0.75, 01 April 2019: Nil) from Nectar Biopharma Private Limited carrying interest rate of 6% (31 March 2020: Nil, 01 April 2019: Nil) per annum and are repayable by 31 March 2023.

(d) Inter corporate deposits from others carry interest rate of 14% (31 March 2020: Nil, 01 April 2019: Nil) per annum and are repayable by 20 January 2021.

C. Reconciliation of movements of liabilities to cash flows arising from financing activities

Borrowings at the beginning of the period/year (current and non-current borrowings)
 Proceeds from non-current borrowings
 Repayments of non-current borrowings
 Interest on lease liabilities
 Additions to lease liabilities
 Deletion to lease liabilities
 Payment of lease liabilities (including interest)
Borrowings at the end of the period/year (current and non-current borrowings)

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	97.79	4.30	-
	43.45	98.99	-
	(54.77)	(7.50)	-
	0.42	0.66	0.10
	15.59	4.70	4.61
	(3.10)	-	-
	(1.80)	(3.36)	(0.41)
	97.57	97.79	4.30

Note 14 - Provisions

A. Non-current

Provision for employee benefits:

Provision for compensated absences

Provision for gratuity (refer note 30)

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	-	-	-
	0.87	0.31	0.16
	2.83	0.70	0.13
	3.70	1.01	0.29

B. Current

Provision for employee benefits:

Provision for compensated absences

Provision for gratuity (refer note 30)

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	0.09	0.08	0.03
	0.01	0.00	0.00
	0.10	0.08	0.03
	3.80	1.09	0.32

Note 15 - Trade payables

Total outstanding dues of micro and small enterprises

Total outstanding dues of creditors other than micro and small enterprises #

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	-	-	-
	182.86	58.31	97.60
	182.86	58.31	97.60

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 Group. Refer note 32 for the disclosure in respect of amounts payable to such enterprises as at period/year end that has been made in the financial statements based on information available with the Group.

Refer note 31

Note 16 - Other financial liabilities

Current maturities of lease liability (refer note 2 and 13)

Interest accrued but not due on borrowings (refer note 31)

Payable on account of arrangement (Refer note 36)

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	4.42	3.59	1.70
	2.43	0.57	-
	-	-	46.49
	6.85	4.16	48.19

Note 17 - Other current liabilities

Contract liability

Statutory liabilities #

Refund liability

Payable to employees

Others

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	36.98	3.76	0.09
	12.86	2.09	0.04
	64.96	0.09	-
	3.34	2.07	0.84
	-	0.11	0.06
	118.14	8.12	1.03

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 Group 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 Group 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 Group will not be material.

Note 18 - Current tax liabilities (net)

Current tax liabilities (net of advance tax of INR 64.83 (31 March 2020: INR 0.13, 01 April 2019: INR 0.06)

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	103.63	23.61	0.06
	103.63	23.61	0.06



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
(Amount in INR million, unless otherwise stated)

Note 19 - Revenue from operations

Sale of products

	For the period 1 April 2020 to 30 September 2020	For the year ended
	1,221.45	994.26
	1,221.45	994.26

Notes:

a. Reconciliation of revenue recognized with the contract price is as follows:

Contract price	1,369.05	1,034.13
Adjustments for:		
- Discounts and rebates	82.64	39.78
- Refund liability	64.96	0.09
Revenue recognised	1,221.45	994.26

b. Contract Balances

Receivables, which are included in "trade receivables"	40.08	128.97
Contract liability, which are included in "other current liabilities"	(36.98)	(3.76)
Refund liability, which are included in "other current liabilities"	(64.96)	(0.09)
	(61.86)	125.12

Note: Considering the nature of business of the Group, the above contract liability are generally materialised as revenue within the same operating cycle.

c. Revenue from sale of products disaggregated by primary geographical market

India	1,221.45	994.26
Outside India	-	-
Total revenue from contracts with customers	1,221.45	994.26

Note 20 - Other income

	For the period 1 April 2020 to 30 September 2020	For the year ended
Interest income		
- on bank deposits	2.97	-
- on financial assets measured at amortized cost at EIR	-	0.18
Exchange gain on foreign exchange fluctuation (net)	5.22	0.41
Income on unwinding of security deposit	-	0.02
Miscellaneous income	0.09	-
	8.28	0.61

Note 21 - Purchase of stock-in-trade

	For the period 1 April 2020 to 30 September 2020	For the year ended
Purchase of stock-in-trade	632.76	674.85
	632.76	674.85

Note 22 - Changes in inventories of stock in trade

	For the period 1 April 2020 to 30 September 2020	For the year ended
Opening balance		
- Stock-in-trade	164.26	135.49
- Right to recover returned goods	0.05	-
Closing balance		
- Stock-in-trade	(303.36)	(164.26)
- Right to recover returned goods	(14.81)	(0.05)
	(153.86)	(28.82)

Note 23 - Employee benefits expense

	For the period 1 April 2020 to 30 September 2020	For the year ended
Salaries and wages	10.67	30.72
Contribution to provident and other funds (refer note 30)	0.21	0.72
Staff welfare expenses	0.04	0.13
	10.92	31.57

Note 24 - Finance costs

	For the period 1 April 2020 to 30 September 2020	For the year ended
Interest expense on financial liabilities measured at amortised cost		
- on borrowings	3.73	3.57
- on lease liabilities	0.42	0.66
Interest expense on income tax	6.96	-
Other borrowing cost	0.72	3.50
	11.83	7.73

Note 25 - Depreciation expense

	For the period 1 April 2020 to 30 September 2020	For the year ended
Depreciation on property, plant and equipment	0.56	0.77
Depreciation on right-of-use assets	1.22	2.97
	1.78	3.74

Note 26 - Other expenses

	For the period 1 April 2020 to 30 September 2020	For the year ended
Advertisement	20.13	31.31
Insurance	0.60	0.38
Communication expenses	0.10	0.46
Legal and professional fee (refer note (a) below)	7.48	8.30
Rent	0.76	2.39
Travel and conveyance	0.01	2.97
Shifting and handling expenses	5.96	9.37
Security services	0.28	0.44
Expected credit loss on trade receivables	-	0.56
Commission and incentive	62.35	87.80
Packing expenses	5.41	15.06
Repairs and maintenance	0.71	1.78
Rates and taxes	2.16	1.99
Power and fuel	0.02	0.38
Freight charges	9.63	50.92
CSR expenditure (refer note (b) below)	-	0.52
Business support service (refer note 38)	115.28	-
Loss on derecognition of financial assets	7.16	-
Miscellaneous expenses	1.83	5.09
	239.87	219.72



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
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(a) Payment to auditors (excluding goods and services tax)

As auditor:

- Statutory audit
- Tax audit
- Others
- Reimbursement of expenses

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
	-	0.31
	4.98	-
	0.01	-
	4.99	0.31

(b) Details of CSR expenditure:

Amount required to be spent by the Company during the period/year

Actual spent during the year:

- (i) Construction / acquisition of any asset
- (ii) On purpose other than above - in cash

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
	1.16	-
	-	-
	-	0.52

Note 27 - Tax expense

a. Amount recognised in Consolidated Statement of Profit and Loss:

Current tax:

- Current period/year

Deferred tax:

- Attributable to origination and reversal of temporary differences

Total tax expense recognized

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
	137.89	22.47
	(13.24)	(0.34)
	124.65	22.13

b. Reconciliation of effective tax rate

Profit before tax

Tax at India's statutory tax rate of 25.17% *

Tax effect of non-deductible expenses

Income tax expense recognized in the statement of profit and loss

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
	486.45	86.08
	122.44	21.67
	2.21	0.46
	124.65	22.13

* The tax rate used for the reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law. The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 which gives a one time irreversible option to domestic companies for payment of corporate tax at reduced rates. Accordingly, the Company has measured its deferred tax asset (net) basis the rate prescribed in the said section.

c. Income tax expense recognized in other comprehensive income

Arising on income and expenses recognized in other comprehensive income

Remeasurement of defined benefit obligation

Net change in fair value of equity instruments through other comprehensive income

Total income tax recognized in other comprehensive income

Bifurcation of the income tax recognized in other comprehensive income into:-

Items that will not be reclassified to profit or loss

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
	(0.00)	0.01
	-	-
	(0.00)	0.01
	(0.00)	0.01
	(0.00)	0.01

d. Deferred tax balances reflected in the Special Purpose Interim Consolidated Balance Sheet:

- Deferred tax asset
- Deferred tax liability
- Deferred tax asset (net)**

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
	13.71	0.49	0.10
	(0.05)	(0.07)	(0.03)
	13.66	0.42	0.07

e. Movement in deferred tax balances

Deferred tax asset

- Provision for employee benefits
- Expected credit loss allowance on trade receivables
- Refund liability
- Lease liabilities
- Others

Deferred tax asset (A)

Deferred tax liability

- Excess depreciation as per Income tax Act, 1961 over depreciation as per books
- Discounting of security deposit

Deferred tax liability (B)

Deferred tax asset (net) (A+B)

	As at 1 April 2020	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 30 September 2020
	0.28	0.68	(0.00)	0.96
	0.14	(0.00)	-	0.14
	0.01	12.60	-	12.61
	0.06	(0.06)	-	-
	0.00	-	-	0.00
	0.49	13.22	(0.00)	13.71
	(0.07)	0.02	-	(0.05)
	0.00	-	-	0.00
	(0.07)	0.02	-	(0.05)
	0.42	13.24	(0.00)	13.66

Deferred tax asset

- Provision for employee benefits
- Expected credit loss allowance on trade receivables
- Refund liability
- Lease liabilities
- Others

Deferred tax asset (A)

Deferred tax liability

- Excess depreciation as per Income tax Act, 1961 over depreciation as per books
- Discounting of security deposit

Deferred tax liability (B)

Deferred tax asset (net) (A+B)

	As at 1 April 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March 2020
	0.09	0.18	0.01	0.28
	-	0.14	-	0.14
	-	0.01	-	0.01
	0.00	0.06	-	0.06
	0.01	(0.01)	-	0.00
	0.10	0.38	0.01	0.49
	(0.03)	(0.04)	-	(0.07)
	-	0.00	-	0.00
	(0.03)	(0.04)	-	(0.07)
	0.07	0.34	0.01	0.42



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
(Amount in INR million, unless otherwise stated)

Note 28 - Earnings per share

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
<i>i. Profit for basic earning per share of face value of INR 10 each</i>		
Profit for the period/year	361.80	63.95
<i>ii. Weighted average number of equity shares for (basic and diluted)</i>		
Number of equity shares at the beginning and end of the period/year	7,000,000	7,000,000
Basic and diluted earnings per share (face value of INR 10 each)	51.69	9.14

Note: The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for issue of bonus shares during the period ended 30 September 2020 in accordance with Ind AS 33 - Earnings per Share. The bonus issue resulted in allotment of 6,000,000 new equity shares. Total number of equity shares after bonus allotment is 7,000,000 equity shares.

Note 29 - Segment information

The Board of directors of Nureca Limited takes decision in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be Chief Operating Decision Maker.

a. Information about products and services

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
Revenue from branded healthcare products	1,221.45	994.26
Total	1,221.45	994.26

b. Information about geographical areas

The geographical information analyses the Group's revenues by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced.

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
i. Revenue from customers		
India	1,221.45	994.26
Outside India	-	-
	1,221.45	994.26

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
ii. Trade receivables			
India	40.08	128.97	88.56
Outside India	-	-	-
	40.08	128.97	88.56

iii) Non-current assets

The Group has common non-current assets for business in domestic and overseas markets. Hence, separate figures for non-current assets/ additions to property, plant and equipment have not been furnished.

c. Information about major customers (from external customers)

For period ended 30 September 2020, 2 customer of the Group constituted more than 10% of the total revenue of Group amounting to INR 549.92, 31 March 2020: 1 customer of the Group constituted more than 10% of the total revenue of Group amounting to INR 352.71.

Note 30 - Employee benefits

a. Defined contribution plans

The Group 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 plans. The Group 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 ESI are as follows:

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
Contribution to provident and other funds (refer note 23)	0.21	0.72

b. Defined benefit plans

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service. The same is payable on termination of service or retirement or death whichever is earlier.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

This is an unfunded benefit plan for qualifying employees. This 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.

The above defined benefit plan exposes the Group to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.



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The following table sets out the status of the defined benefit plan as required under Ind AS 19 - Employee Benefits:

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
i. Reconciliation of present value of defined benefit obligation			
Balance at the beginning of the period/year	0.70	0.13	0.03
Interest cost	0.09	0.04	0.01
Current service cost	0.81	0.47	0.09
Past service cost	1.24	-	-
Benefits paid	-	-	-
Actuarial loss recognised in other comprehensive income			
- from changes in financial assumptions	-	0.06	0.00
- from changes in demographic assumptions	-	0.00	-
- from experience adjustments	(0.01)	0.00	(0.00)
Balance at the end of the period/year	2.83	0.70	0.13

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
ii. Amount recognized in statement of profit and loss		
Interest cost		0.09
Current service cost		0.81
Past service cost		1.24
		2.14
iii. Remeasurements recognised in other comprehensive income		
Actuarial loss for the year on defined benefit obligation		(0.01)
		(0.01)
iv. Actuarial assumptions		
<i>(i) Economic assumptions</i>		
The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.		

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Discount rate (per annum)	6.8%	6.6%	7.4%
Future salary growth rate (per annum)	15%	10%	10%
Expected average remaining working lives (years)	28.22	28.94	29.75

(ii) Demographic assumptions

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Retirement age (years)	58	58	58
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM 2006-08
Attrition rate (per annum)	10%	15%	15%

v. Sensitivity analysis on defined benefit obligation on account of change in significant assumption:

	For the period 1 April 2020 to 30 September 2020	For the year ended 31 March 2020
Increase		
Discount rate (1% movement)		(0.33)
Future salary growth rate (1% movement)		0.25
Decrease		
Discount rate (1% movement)		0.39
Future salary growth rate (1% movement)		(0.24)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi. Expected maturity analysis of the defined benefit plan in future years

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Within 1 year (next annual reporting period)	0.01	0.00	-
Between 1 to 5 years	0.56	0.17	0.03
Between 5 to 10 years	1.27	0.46	0.09
Beyond 10 years	6.14	0.83	0.00
Total expected payments	7.98	1.46	0.12

vii. Weighted average duration of the defined benefit plan:

	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Weighted average duration of the defined benefit plan (in years)	17.23	11.97	10.70

Note 31 - Related parties

A. List of related parties and nature of relationship with whom transactions have taken place during the current/previous period/year

Description of Relationship	Name of the Party
Key management personnel ('KMP')	Mr. Saurabh Goyal - Managing Director Mr. Aryan Goyal - Chief Executive Officer Mr. Gurvikram Singh - Company Secretary
Relatives of KMPs	Mrs. Payal Goyal Mrs. Raman Goyal (refer note 38 a) Mrs. Smita Goyal
Entities in which KMP and/or their relatives have significant influence	Trumom Private Limited Mirasan Private Limited Nectar Life Sciences Limited (refer note 38 a) Nectar Biopharma Private Limited (refer note 38 a)



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Nureca Limited
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(Amount in INR million, unless otherwise stated)

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period/year

Nature of transaction	Name of related party	For the period	For the year ended
		1 April 2020 to 30 September 2020	31 March 2020
1 Revenue from operations (net of returns)	Nectar Life Sciences Limited	0.04	9.51
2 Purchase of stock-in-trade	Nectar Life Sciences Limited	111.82 **	189.55
3 Reimbursement of expense paid by the Group	Trumom Private Limited Mirasan Private Limited	- 0.02	0.04 -
4 Borrowings taken	Mrs. Payal Goyal Mr. Saurabh Goyal Mrs. Raman Goyal Mrs. Smita Goyal Trumom Private Limited Nectar Biopharma Private Limited	- - - - 1.46 -	30.18 22.21 43.18 2.68 - 0.75
5 Borrowings repaid	Mrs. Payal Goyal Mr. Saurabh Goyal Mrs. Raman Goyal Mrs. Smita Goyal	19.89 17.71 15.00 2.68	2.50 5.00 - -
6 Advance received against supply of goods	Trumom Private Limited	-	1.90
7 Interest accrued during the year	Mrs. Payal Goyal Mr. Saurabh Goyal Mrs. Raman Goyal Mrs. Smita Goyal	0.42 0.08 1.73 0.03	0.17 0.14 0.27 0.01
8 Managerial remuneration *	Mr. Saurabh Goyal	1.99	6.90
9 Salary to KMPs and their relatives	Mrs. Payal Goyal Ms. Smita Goyal Mr. Aryan Goyal Mr. Gurvikram Singh	1.18 0.44 1.25 0.05	3.00 3.00 6.90 -
10 Commission paid	Nectar Biopharma Private Limited	18.68	-
11 Business support services	Nectar Biopharma Private Limited	115.28	-
12 Shares cancelled during the period/year	Nectar Biopharma Private Limited	(0.10)	-
13 Shares allotted during the period/year	Mr. Saurabh Goyal Mrs. Payal Goyal	35.00 35.00	- -

* Break-up of compensation of key managerial personnel of the Group

	For the period	For the year ended
	1 April 2020 to 30 September 2020	31 March 2020
Short-term employee benefits	1.99	6.90
Post-employment benefits	0.11	0.11
Total compensation paid to key management personnel	2.10	7.01

The amount disclosed in the table are the amounts recognised as expense during the reporting period related to key management personnel

C. Balances outstanding at period / year end

Nature of transaction	Name of related party	As at	As at	As at
		30 September 2020	31 March 2020	1 April 2019
1 Expenses recoverable	Trumom Private Limited Mirasan Private Limited	0.04 0.02	0.04 -	- -
2 Payable to employees	Mr. Saurabh Goyal Mr. Aryan Goyal Ms. Payal Goyal Mr. Smita Goyal Mr. Gurvikram Singh	1.21 0.18 0.54 - 0.03	0.25 0.45 0.13 0.23 -	- - - - -
3 Borrowings	Ms. Payal Goyal Mr. Saurabh Goyal Mrs. Raman Goyal Mrs. Smita Goyal Trumom Private Limited Nectar Biopharma Private Limited	7.79 - 28.18 - 1.46 0.74	27.68 17.21 43.18 2.68 - 0.75	- - - - - -
4 Interest accrued but not due	Ms. Payal Goyal Mr. Saurabh Goyal Mrs. Raman Goyal Mrs. Smita Goyal Trumom Private Limited	0.55 0.20 0.25 0.04 0.04	0.16 0.12 0.25 0.01 -	- - - - -
5 Trade payables	Nectar Life Sciences Limited Nectar Biopharma Private Limited	0.85 140.95 **	6.48 -	87.24 -
6 Trade receivables	Nectar Life Sciences Limited Trumom Private Limited	- -	10.12 -	5.16 0.44
7 Recoverable on account of arrangement	Nectar Biopharma Private Limited	-	19.88	-
8 Payable on account of arrangement	Nectar Biopharma Private Limited	-	-	52.42
9 Contract liability	Trumom Private Limited	-	1.46	-

** During the period ended 30 September 2020, purchase of stock-in-trade from Nectar Life Sciences Limited of INR 111.82 (31 March 2020: INR Nil and 1 April 2019: INR Nil) were made through the Company's agent Nectar Biopharma Private Limited. Accordingly, the balance outstanding towards Nectar Biopharma Private Limited as at 30 September 2020 includes INR 19.68 (31 March 2020: INR Nil and 1 April 2019: INR Nil) further payable towards Nectar Life Sciences Limited for the aforesaid purchase of stock-in-trade.



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Note 32 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

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 correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the Special Purpose Interim Consolidated Financial Statements based on information available with the Group as under:

Particulars	As at	As at	As at
	30 September 2020	31 March 2020	1 April 2019
The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period/year	-	-	-
- Principal	-	-	-
- Interest	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of payment made to the supplier beyond the appointed day during each accounting period/year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during each accounting period/year) but without adding the interest specified under the MSMED act 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period/year	-	-	-
The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro,	-	-	-

Note 33 - Financial instrument : fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the group, other than those with carrying amounts that are reasonable approximations of fair values:

	Note	Level of hierarchy	As at 30 September 2020		As at 31 March 2020		As at 1 April 2019	
			Amortised	Fair value	Amortised	Fair value	Amortised	Fair value
			Cost	through OCI	Cost	through OCI	Cost	through OCI
Financial assets								
Investments	a	3	-	-	-	-	-	0.00
Loans	b		0.39	-	0.25	-	0.02	-
Trade receivables	c		40.08	-	128.97	-	88.56	-
Cash and cash equivalents	c		108.62	-	0.74	-	1.11	-
Other bank balances	c		443.80	-	-	-	-	-
Other financial assets	c		2.74	-	19.88	-	-	-
			595.63	-	149.84	-	89.69	0.00
Financial liabilities								
Borrowings	b		93.15	-	94.20	-	2.60	-
Trade payables	c		182.86	-	58.31	-	97.60	-
Other financial liabilities	c		6.85	-	4.16	-	48.19	-
			282.86	-	156.67	-	148.39	-

Notes:

- The carrying value of investment in Nureca Electronics Private Limited was INR 2,000/- Fair value of this investment is not considered to be material and Nureca Electronics Limited ceased to exist on 03 December 2019.
 - Fair valuation of the loans and borrowings is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Subsequent measurements of all assets and liabilities is at amortised cost, using effective interest rate (EIR) method. Further, in accordance with amendment Ministry of Corporate Affairs notified in Ind AS 113 on 30 March 2019, fair value measurement of lease liabilities is not required.
 - Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- There are no transfers between level 1, level 2 and level 3 during the period/years presented.

Note 34 - Financial risk management

Risk management framework

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and currency risk. Financial instruments affected by market risk include trade receivables, borrowings and investments measured at fair value through profit and loss account. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Group does not expose to the risk of changes in market interest rates as Group's long and short term debt obligations are of fixed interest rate.

(b) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when certain purchases and trade payables are denominated in a foreign currency).

The Group undertakes transactions denominated in foreign currencies and consequently, exposes to exchange rate fluctuations. The Group does not enter into trade financial instruments including derivative financial instruments for hedging its foreign currency risk. The appropriateness of the risk policy is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Group.

Exposure to currency risk :

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows:

Currency	As at 30 September 2020		As at 31 March 2020		As at 1 April 2019		
	Amount in	Amount in	Amount in	Amount in	Amount in	Amount in	
	Foreign	Indian	Foreign	Indian	Foreign	Indian	
Trade payables	USD	0.28	20.64	0.22	16.42	-	-

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by a derivative instrument or otherwise.



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Sensitivity analysis:

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the period/year end for 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity balance below would be negative. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the period/year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 30 September 2020				
USD 5% movement	1.03	(1.03)	0.77	(0.77)
As at 31 March 2020				
USD 5% movement	0.82	(0.82)	0.61	(0.61)
As at 1 April 2019				
USD 5% movement	-	-	-	-

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

(a) Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Special Purpose Interim Consolidated Statement of Profit and Loss within other expenses.

The ageing of trade receivables at the reporting date was:

	As at 30 September 2020	As at 31 March 2020	As at 01 April 2019
Not due	36.60	77.57	81.03
Less than 90 days	2.89	40.68	6.91
90-180 days	0.52	8.85	0.21
More than 180 days	0.07	1.87	0.41
Total	40.08	128.97	88.56

(b) Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

(c) Security deposits

The Group furnished security deposits to its lessor for obtaining the premises on lease and margin money deposits to banks. The Group considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Group expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

(iii) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimised cost.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As at 30 September 2020	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings (excluding lease liabilities)	80.17	-	-	80.17	-	80.17
Other financial liabilities (excluding lease liabilities)	2.43	-	2.43	-	-	2.43
Trade payables	182.86	-	182.86	-	-	182.86
Lease liabilities	17.40	-	4.42	4.93	8.05	17.40
Total	282.86	-	189.71	85.10	8.05	282.86
As at 31 March 2020	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings (excluding lease liabilities)	91.49	-	-	91.49	-	91.49
Other financial liabilities (excluding lease liabilities)	0.57	-	0.57	-	-	0.57
Trade payables	58.31	-	58.31	-	-	58.31
Lease liabilities	6.30	-	3.59	2.71	-	6.30
Total	156.67	-	62.46	94.20	-	156.67
As at 1 April 2019	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings (excluding lease liabilities)	-	-	-	-	-	-
Other financial liabilities (excluding lease liabilities)	46.49	-	46.49	-	-	46.49
Trade payables	97.60	-	97.60	-	-	97.60
Lease liabilities	4.30	-	1.70	2.60	-	4.30
Total	148.38	-	145.78	2.60	-	148.38

(iv) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

(v) Risk related to COVID-19

The Group has considered possible effect that may result from 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 going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group, including the Group's performance from July 2020 onwards which has been better than expectations considering the increase in demand in the home healthcare and wellness products. The Group 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 impacts on its assessment related to going concern. The impact of Covid - 19 on the Group's financial statement may differ from that estimated as at the date of approval of these financial statements.



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Note 35 - Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, business strategies and future commitments. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade payables and borrowings, less cash and cash equivalents.

Particulars	As at 30 September 2020	As at 31 March 2020	As at 1 April 2019
Trade payables (Refer note 15)	182.86	58.31	97.60
Borrowings (Refer note 13)	97.57	97.79	4.30
Less: cash and cash equivalents (Refer note 7)	108.62	0.74	1.11
Net debt	171.81	155.36	100.79
Equity share capital (Refer note 11)	70.00	0.10	0.10
Other equity (Refer note 12)	446.45	149.24	85.33
Total capital	516.45	149.34	85.43
Capital and net debt	688.26	304.70	186.22
Gearing ratio	24.96%	50.99%	54.13%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to maintain investor, creditor and market confidence and to sustain future development of the business.

Note 36 - Business combination

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 Honourable 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 scheme of demerger, certain portion of business activities of the demerged company as defined in Scheme along with all related assets, liabilities, employees, rights, powers, etc. including its investment in the subsidiary Nureca Inc ("Specified Undertaking") was transferred by Nectar Biopharma Private Limited from the appointed date of 1 April 2019. The said demerger has been accounted as a common control business combination in line with the principles prescribed under Ind AS 103 "Business Combinations". Accordingly, the Scheme has been given effect by combining all assets and liabilities of the specified undertaking of the demerged company with the assets and liabilities of the resulting company at their carrying amounts and preserving the identity of the reserves in the same form as they appeared in the financial statements of the demerged company.

As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorised 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 authorised share capital of the resulting company shall be INR 10,000,000/- (Rupees ten millions only) divided into 1,000,000 (one million) 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 ten millions only) divided into 1,000,000 (one million) Equity Shares of INR 10/ (Rupees ten millions only) each."

Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the certain portion of business activities 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").

It is clarified that no cash consideration shall be paid by the resulting company to the demerged company or its shareholders.

Book value of assets and liabilities related to the demerged undertaking of the demerged company transferred are as under:

Particulars	As at 1 April 2019
ASSETS	
Property, plant and equipment	0.62
Non Current Investments	0.46
Loans (refer note (a) below)	0.35
Inventories	127.14
Trade Receivables	98.54
Cash and cash equivalent (refer note (a) below)	7.53
Deferred tax asset (net)	0.07
Other current assets (refer note (a) below)	2.77
Other current assets	2.78
Total assets	240.26
LIABILITIES	
Trade Payables	96.76
Borrowings (refer note (a) below)	37.86
Other current liabilities (refer note (a) below)	2.15
Other current liabilities	0.91
Current tax liability (refer note (a) below)	17.06
Provisions	0.32
Total liabilities	155.06
Share capital to be cancelled on account of arrangement	(0.10)
Retained earnings taken over	98.26
Net (liabilities) taken over (shown under capital reserve in other equity)	(12.96)

Note (a) 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 / payable from/to the resulting company.



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Note 37 - Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of Consolidated Financial Statements' of Division II of Schedule III

As at 30 September 2020

Name of entity in the group	Net Assets		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	(Total assets - Total liabilities)		As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	As % of consolidated net assets	Amount						
Parent								
Nureca Limited	100%	516.79	100%	362.38	121%	0.01	100%	362.39
Subsidiaries								
Nureca Inc	0%	0.03	0%	(0.08)	13%	0.00	0%	(0.08)
Nureca Healthcare Private Limited	0%	0.08	0%	(0.02)	0%	-	0%	(0.02)
Nureca Technologies Private Limited	0%	(0.38)	0%	(0.48)	0%	-	0%	(0.48)
Elimination	0%	(0.07)	0%	0.00	-37%	(0.00)	0%	(0.00)
Total		516.45		361.80		0.01		361.81

As at 31 March 2020

Name of entity in the group	Net Assets		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	(Total assets - Total liabilities)		As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	As % of consolidated net assets	Amount						
Parent								
Nureca Limited	98%	146.07	101%	64.77	102%	(0.04)	101%	64.73
Subsidiaries								
Nureca Inc	0%	0.11	-0.2%	(0.14)	-29.90%	0.01	-0.20%	(0.13)
Elimination	2%	3.16	-1.1%	(0.68)	28.04%	(0.01)	-1.09%	(0.70)
Total		149.34		63.95		(0.04)		63.91

As at 1 April 2019

Name of entity in the group	Net Assets		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	(Total assets - Total liabilities)		As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	As % of consolidated net assets	Amount						
Parent								
Nureca Limited	88%	75.36	93%	58.04	100%	(0.01)	93%	58.03
Subsidiaries								
Nureca Inc	0.3%	0.24	0%	(0.10)	95%	(0.01)	-0.17%	(0.11)
Elimination	11.5%	9.83	7%	4.29	-95%	0.01	6.92%	4.30
Total		85.43		62.23		(0.01)		62.22

Note 38: Subsequent events / Key matters

a. Dissociation with Mr. Sanjiv Goyal, Mrs. Raman Goyal and Nectar Life Sciences Limited

Pursuant to a family settlement, Mr Saurabh Goyal (Promoter and Managing Director), Mr Aryan Goyal (Chief Executive Officer) and their families disassociated from their parents Mr. Sanjiv Goyal and Mrs. Raman Goyal. The family settlement was effected by way of family partition deed dated 10 September 2020 entered into Mr Saurabh Goyal, Aryan Goyal from their parents Sanjiv Goyal and Mrs. Raman Goyal in relation to the separation of assets and businesses. Sanjiv Goyal is the promoter and director in a pharmaceutical company known as Nectar Life Sciences Limited.

Pursuant to the family settlement, Mr Saurabh Goyal and Mr Aryan Goyal, by way of their letters dated 1 October 2020 and 30 September 2020 respectively addressed to the Board of Directors of Nectar Lifesciences Limited, SEBI, BSE and National Stock Exchange, have intimated that their shareholdings in Nectar Lifesciences Limited have been transferred to Mr. Sanjiv Goyal and his HUF by way of gift and expressed that they intended to be ceased from being classified as members of the promoter group of Nectar Lifesciences Limited.

b. Appointment of Nectar Biopharma Private Limited as an agent

On 9 May 2020, the Company entered into an agreement with Nectar Biopharma Private Limited to facilitate the operations of the Company in accordance with the applicable laws in India, with effect from 23 May 2020 (i.e. the effective date of the scheme of arrangement) until such time that the Company is able to fulfill all legal formalities including but not limited to transfer of relevant licenses and obtaining requisite approvals from appropriate authorities. Under this agreement, Nectar Biopharma Private Limited would act as agent of the Company and be responsible for procurement of goods, provision of business support services and further sale of goods on behalf of the Company for which Nectar Biopharma Private Limited is entitled to commission fees based on a percentage of sales and purchases made on behalf of the Company and service fee based on cost of services rendered which are considered to be at arms length.

Accordingly, the Company has recognised revenue from sales of products and purchase of stock in trade on gross basis and inventory held by Nectar Biopharma Private Limited at reporting date as its own inventory since the Company is the principal for the transaction. In doing so, the Company has evaluated that it controls the goods before it is transferred to the customer and considered that it has the primary obligation to fulfill the contract, inventory risk, pricing discretion and other factors to determine that it controls the goods and therefore is acting as a principal.

c. Search and Seizure

Search and seizure operations under section 132 of the Income Tax Act, 1961 / Section 37 A of the Wealth Tax Act, 1957 were carried out by the income tax department from 13 December 2020 to 15 December 2020 at residences of the Company's Promoter Saurabh Goyal, members of the Promoter Group Aryan Goyal, Payal Goyal and Smita Goyal in the case of "Nectar Life Sciences Limited alongside Sanjiv Goyal, Raman Goyal, Aryan Goyal, Saurabh Goyal, Payal Goyal and Smita Goyal". During the course of the search and seizure operations, the income tax authorities impounded certain items such as cash, jewellery and ornaments. Also refer to note 38 (a) above which explain in detail the dissociation arrangement entered between with Sanjiv Goyal, Raman Goyal and Nectar Life Sciences Limited.

Further, Search and seizure operations under section 132 of the Income Tax Act, 1961 / Section 37 A of the Wealth Tax Act, 1957 were carried out by the income tax department on 13 December 2020 at the residence of one of the Company's Director Rajinder Sharma in the case of Nectar Life Sciences Limited and Avenis Exports Private Limited. During the course of the search and seizure operations, the income tax authorities impounded a mobile set.

As on the date of approval of these financial statements, none of the Company's promoters, members of promoter group or directors have received further communication and / or notice from the income tax authorities in relation to the abovementioned search and seizure proceedings. The management believes that the transactions of the Company are fully compliant with the relevant provisions of the Income Tax Act, 1961 and hence, no provision is required for any tax liability.

d. Preferential allotment of equity shares

Pursuant to the approval of shareholders granted in the extra-ordinary general meeting held on 4 September 2020, the Company issued and allotted fully paid-up 53,000 equity shares of INR 10 each at a premium of INR 90 per share to non-promoter group against the share application money pending allotment of INR 5.30 million on 21 October 2020. Further, subsequent to the period ended 30 September 2020, the Company has also raised funds aggregating to INR 44.70 million by way of preferential allotment of 447,000 fully paid up equity shares of INR 10 each at a premium of INR 90 per share to non-promoter group.



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Note 39 - First time adoption

The special purpose interim consolidated statement of balance sheet of the Group as at 30 September 2020 and the special purpose interim statement of profit and loss, the special purpose interim statement of changes in equity and the special purpose interim statement of cash flows for the period ended 30 September 2020 and other Special Purpose Interim Consolidated Financial Statements has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable

I. Exemptions applied:

1 Mandatory exceptions:

a) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried at amortised cost
- Impairment of financial assets based on the expected credit loss model

b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

2 Optional exemptions:

a) Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2019. For the purpose of special purpose interim Ind AS financial statements for the year ended 30 September 2020, 31 March 2020 and 1 April 2019 the Group has provided the depreciation based on the estimated useful life of respective years.

b) Leases

The Group has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (1 April 2019) when applying Ind AS 116 initially

i) lease liability is recognised, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

ii) a right-of-use assets is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of assets and liabilities immediately before the date of initial application.

The Group also applied the available practical expedients wherein it:

- a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- b) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

II. Reconciliation of total equity between previous GAAP and Ind AS

Particulars	Notes	As at 31 March 2020	As at 1 April 2019
Total equity reported earlier under previous GAAP		149.55	85.44
(i) Ind AS adjustments			
- Leases	a	(0.24)	-
- Financial assets measured at amortised cost	b	(0.00)	-
- Business combination (common control transaction)	c	-	-
- Right to return	e	(0.03)	-
- Tax adjustments	g	0.06	-
(ii) Restatement adjustments			(0.01)
Adjustments due to prior period items / other adjustment			
Preliminary expenses		-	(0.02)
Trade payable		20.13	-
Inventories		(20.13)	-
Equity share capital		9.90	-
Other equity		(9.90)	-
Deferred tax impact on adjustments			
Deferred tax impact on restatement adjustments		-	0.01
Total equity as per Ind AS		149.34	85.43

III. Reconciliation of total comprehensive income between previous GAAP and Ind AS

Particulars		For the year ended 31 March 2020
Profit for the year reported earlier under previous GAAP		64.10
(i) Ind AS adjustments		
- Leases	a	(0.24)
- Financial assets measured at amortised cost	b	(0.00)
- Right to return	c	(0.03)
- Remeasurements of the defined benefit plans reclassified to OCI	d	0.06
- Items reclassified to OCI	e	(0.01)
- Tax adjustments	g	0.06
(ii) Restatement adjustments		
Preliminary expenses		0.02
Purchase of stock in trade		20.13
Changes in inventories		(20.13)
Deferred tax impact on adjustments		
Deferred tax impact on restatement adjustments		(0.01)
Profit for the year reported earlier under Ind AS		63.95
Other comprehensive income (net of tax)		(0.04)
Total comprehensive Income as reported under Ind AS		63.91

IV. Impact of Ind AS adoption on the Special Purpose Interim Consolidated Statement of Cash Flows

There were no material differences between the Special Purpose Interim Consolidated Financial Statements and cash flow statement under previous GAAP (as adjusted for the impact of the transition).



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V. Notes to first time adoption

a Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the statement of profit and loss. Under Ind AS 116, all arrangement that fall under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Group has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

The impact arising from the change is as follows:		Increase/ (decrease)	
Statement of Profit and Loss		For the year ended 31 March 2020	
Rent expense			3.36
Interest expense on financial liabilities measured at amortised cost - on lease liabilities			(0.65)
Depreciation expense			(2.95)
Adjustment before income tax - Profit / (loss)			(0.24)

Balance Sheet		Increase/ (decrease)	
	As at 31 March 2020	As at 1 April 2019	
Assets: Right-of-use assets	6.09	4.30	
Liabilities: Lease liabilities (Borrowings)	6.30	4.30	

b Financial assets measured at amortised cost

Under previous GAAP, the security deposits paid for lease rent are shown at the transaction value. Whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period/year. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as right-of-use assets and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

The impact arising from the change is as follows:		Increase/ (decrease)	
Statement of Profit and Loss		For the year ended 31 March 2020	
Interest income from financial assets at amortized cost			0.02
Depreciation expense			(0.02)
Adjustment before income tax - Profit / (loss)			(0.00)

Balance Sheet		Increase/ (decrease)	
	As at 31 March 2020	As at 1 April 2019	
Asset: Loans	(0.05)	-	
Asset: Right of use asset	0.05	-	

c Right to return

Under Ind AS 115, a refund liability for the expected refunds to customers is recognised as adjustment to revenue as refund liability in other current liabilities. At the same time, the Group has a right to recover the product from the customer where the customer exercises his right to return and recognises an asset and a corresponding adjustment to changes in inventories. The asset is measured in reference to the former carrying amount of the product. The costs to recover the products are not material because the customer usually returns the product in a saleable condition.

d Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the Company recognised remeasurement of defined benefit plans under Statement of Profit and Loss. Under Ind AS, remeasurement of defined benefit plans are recognised immediately in the Special Purpose Interim Consolidated Financial Statements with a corresponding debit or credit to retained earnings through OCI.

e Items reclassified to OCI

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes change in fair value of investments which are classified at fair value through OCI. Remeasurements of defined benefit obligation and exchange differences on translation of foreign operations. The concept of other comprehensive income did not exist under previous GAAP.

f Deferred tax assets (net)

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments and restatement adjustments lead to temporary differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

The impact arising from the change is as follows:		Increase/ (decrease)	
Statement of Profit and Loss		For the year ended 31 March 2020	
<i>Tax adjustment on Ind AS adjustments</i>			
Deferred tax impact on lease			0.06
Deferred tax impact on financial assets measured at amortised cost			0.00
Adjustment before income tax - Profit / (loss)			0.06
<i>Tax adjustment on restatement adjustments</i>			
Deferred tax impact on preliminary expenses			(0.01)
Adjustment before income tax - Profit / (loss)			(0.01)

Balance Sheet		Increase/ (decrease)	
	As at 31 March 2020	As at 1 April 2019	
Assets: Deferred tax assets (net)			
- Deferred tax impact on lease adjustment	0.06	-	
- Deferred tax impact on financial assets measured at amortised cost	0.00	-	

VI. Regrouping / reclassification

Appropriate adjustments have been made in the Special Purpose Interim Consolidated Financial Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the Ind AS presentation requirements.



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Nureca Limited
Notes to Special Purpose Interim Consolidated Financial Statements
(Amount in INR million, unless otherwise stated)

Note 40

Ministry of Corporate Affairs ("MCA") notifies new amendments to the existing standards. A number of amendments to Ind ASs became effective from 24 July 2020:

Ind AS	Amendments
Ind AS 103 - Business Combinations	Amendments to clarify the definitions of a business
Ind AS 107 - Financial Instruments: Disclosures	Amendments regarding pre- placements issues in the context of the IBOR reform
Ind AS 109 - Financial Instruments	Amendments regarding pre- placements issues in the context of the IBOR reform
Ind AS 8 - Accounting Policies, Changes in accounting Estimates and Errors	Amendments regarding the definition of material
Ind AS 116 - Leases	Practical expedient for treatment of rent concession and covid related rent concessions
Ind AS 10 - Events after the Reporting Period	Amendments in effect of changes in the definition of material.
Ind AS 34 - Interim Financial Reporting	Amendments in effect of changes in the definition of material.
Ind AS 1 - Presentation of Financial Statements	Amendments regarding the definition of material.
Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets	Amendments in effect of changes in the definition of material.

These amendments does not have any impact on the special purpose interim consolidated financial statements.

For **BSR & Co. LLP**
 Chartered Accountants
 Firm registration number: 101248W/W-100022


 Gaurav Mishra
 Partner

Membership Number : 507857

For and on behalf of Board of Directors of
Nureca Limited


 Saurabh Goyal
 Managing Director
 DIN : 00136037


 Rajinder Sharma
 Director
 DIN : 00317133


 Aryan Goyal
 Chief Executive Officer


 Sakshi Mittal
 Chief Financial Officer


 Gurvikram Singh
 Company Secretary
 Membership Number: 60255

Place: Chandigarh
 Date: 19 January 2021

Place: Chandigarh
 Date: 19 January 2021

B S R & Co. LLP
Chartered Accountants
Unit No. A505A, 5th Floor, Elante Offices,
Plot No.178-178A, Industrial Area Phase -1,
Chandigarh, 160002 (India)

19 January 2021

Dear Sir,

This representation letter is provided in connection with your audit of the Special Purpose Interim Consolidated Financial Information of Nureca Limited ("the company") and its subsidiaries (collectively referred to as Group) which comprise of which comprise the special purpose interim consolidated balance sheet as at 30 September 2020, the special purpose interim consolidated statement of profit and loss (including other comprehensive income), the special purpose interim consolidated statement of changes in equity and the special purpose interim consolidated statement of cash flows for the period from 1 April 2020 to 30 September 2020 and a summary of the significant accounting policies and other explanatory information (collectively referred to as 'special purpose interim consolidated financial statements') which has been prepared in accordance with basis of preparation as explained in Note 2.1 to the special purpose interim consolidated financial statements. For the purpose of expressing an opinion as to whether the special purpose interim consolidated statement give a true and fair view in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Companies Act, 2013 including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

We acknowledge our responsibility as set out in the terms of the audit engagement letter dated 18 November 2020 for preparing the special purpose interim consolidated statement of the Group which give a true and fair view of the special purpose interim consolidated statement state of affairs of the Group as at 30 September 2020, special purpose interim consolidated balance sheet as at 30 September 2020, the special purpose interim consolidated statement of profit and loss (including other comprehensive income), the special purpose interim consolidated statement of changes in equity and the special purpose interim consolidated statement of cash flows for the period from 1 April 2020 to 30 September 2020 and a summary of the significant accounting policies and other explanatory information in accordance Schedule III (Division II) to the Companies Act, 2013.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves in order to provide the following representations:

1. The special purpose interim consolidated financial statements, include all material disclosures necessary for these Ind AS financial statements to show a true and fair view of the consolidated state of affairs, the consolidated profit/ loss and other comprehensive income, the consolidated changes in equity and the consolidated cash flows of the Group and disclosures required to be made therein under the Companies Act, 2013/ relevant Ind AS/ Reserve Bank of India guidelines/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

NURECA LIMITED

Correspondence Office : SCO 6-7-8, 1st Floor, Madhya Marg, Sector 9D, Chandigarh, 160009
Registered Office : 128 Gala Number Udyog Bhavan, 1st Floor Sonawala Lane, Goregaon East
Mumbai City Maharashtra 400063
Phone No. +91-172-5292900 CIN : U24304MH2016PLC320868

Special Purpose Interim Consolidated Financial Statement and accounting records

2. We confirm that the subsidiaries of Nureca Limited as defined under the relevant Ind AS have been included in preparation of Special Purpose Interim Consolidated Financial Statement.

The Special Purpose Interim Consolidated Financial Statements of three subsidiaries, whose interim financial information reflect total assets (before consolidation adjustments) of Rs. 2.21 million as at 30 September 2020, total revenues (before consolidation adjustments) of Rs. 0.04 for the six months ended 30 September 2020 and net cash flows outflow (before consolidation adjustments) to Rs. 0.56 million for the six months ended on that date, as considered in the Special Purpose Interim Consolidated Financial Statements, have not been audited either by us or by other auditors. These unaudited interim financial information have been furnished to us by the Management

Accounting records

3. We acknowledge our responsibility regarding:
- preparation of the special purpose interim consolidated financial statements in accordance with, the applicable Ind AS and providing proper explanation relating to any material departures from those Ind AS;
 - selection of accounting policies and applying them consistently and making judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the September 2020 period, profit and loss and other comprehensive income, changes in equity and the cash flows of the company for that period;
 - taking proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - laying down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
 - devising proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
4. We have identified and informed you of financial transactions/ matters that may have an adverse effect on the functioning of the company.
5. We confirm that:
- the company does not have any pending litigations which would impact its financial position.
 - the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company
6. We further confirm that:
- There are no loans and advances made by the company on the basis of any security have been properly secured and the terms on which they have been made are not prejudicial to the interests of the company or its members;
 - transactions of the company which are represented merely by book entries are not prejudicial to the interests of the company;
 - assets of the company consisting of shares and other securities have not been sold at a price less than that at which they were purchased by the company;
 - loans and advances made by the company have not been shown as deposits;

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- (e) no expenses of personal nature (other than those payable under contractual obligations or in accordance with generally accepted business practice) and/ or not related to the company's business have been charged to the special purpose interim consolidated financial statements.
 - (f) where it is stated in the books and documents of the company that any shares have been allotted for cash, cash has actually been received in respect of such allotment, and if no cash has actually been so received, the position as stated in the account books and the Balance sheet is correct, regular and not misleading.
7. We have reviewed the company's accounting policies and estimation techniques for use in the preparation of the special purpose interim consolidated financial statements and confirm that the accounting policies and estimation techniques selected are appropriate to give a true and fair view for the company's particular circumstances.
 8. We confirm that all transactions and events have been carried out in accordance with relevant legislation or under proper authority and that all transactions undertaken by the Company have satisfactory commercial substance.
 9. All transactions have been recorded in the accounting records and are reflected in the special purpose interim consolidated financial statements.
 10. We have communicated to you all deficiencies in internal control (including those relating to internal financial controls as referred to in section 134 to the Companies Act, 2013 and Rules there under) of which we are aware.
 11. We have provided you with:
 - (a) financial records and related data comprising of all books of account and supporting documentation which are agreed and reconciled;
 - (b) access to all information, whether kept at the head office or elsewhere, of which the management is aware that are relevant to the preparation of the special purpose interim consolidated financial statements, such as records, documentation and other matters including books of accounts maintained in electronic mode;
 - (c) additional information that you have requested from us for the purpose of the audit;
 - (d) all minutes of meetings of shareholders/ board of directors/ audit committee summaries of meetings held after the end of the reporting period; and
 - (e) unrestricted access to persons within the company from whom you determined it necessary to obtain evidence.
 - (f) the effect of changes in the company's business activities
 - (g) significant changes in commitments, contractual obligations, debt covenants and contingent liabilities including litigations or claims (if any).
 12. The significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.
 13. No subsequent events have been identified that require adjustment to the assumptions and disclosures as included in the special purpose interim consolidated financial statements.
 14. There is neither any plan nor any intention that may affect the carrying value or classification of assets or liabilities reflected in the special purpose interim consolidated financial statements.

Going concern

15. The Group has considered possible effect that may result from 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 going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the

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Group as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group 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 impacts on its assessment related to going concern. The impact of Covid - 19 on the Group's financial statement may differ from that estimated as at the date of approval of these special purpose interim consolidated financial statements.

16. We further confirm that the budgets and forecasts used for the purpose of the management's assessment of going concern have been re-assessed in light of the COVID-19 outbreak and in our view the budgets and forecasts are reasonable, achievable and appropriate under the circumstances and consider risk factors identified and consider impact of possible downside scenarios, as applicable.

Fraud

17. We acknowledge that because of the inherent limitations of an audit, together with the inherent limitations of internal controls, there is an unavoidable risk that material misstatements due to fraud or error may occur, and not be detected, even though the audit is properly planned and performed by you in accordance with the Standards on Auditing

We also acknowledge that we are also responsible to take appropriate action when a fraud is detected or reported through any of the sources. We confirm that there have been no internal reporting on offences involving fraud (e.g., vigil mechanism reports etc.), including those that are required to be submitted by cost accountant or company secretary in practice in accordance with the requirements of section 143(12) of the Companies Act, 2013.

18. We confirm the following:

- i) We have disclosed to you the results of our assessment of the risk that the special purpose interim consolidated financial statements may be materially misstated as a result of fraud.
- ii) We have disclosed to you all information in relation to:
 - a) fraud or suspected fraud that we are aware of and that affects the company and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the special purpose interim consolidated financial statements.
 - b) allegations of fraud or suspected fraud, affecting the company's special purpose interim consolidated financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, we acknowledge our responsibility for the preparation of special purpose interim consolidated financial statements that are free from material misstatement, whether due to fraud or error. In particular, we acknowledge our responsibility for the design, implementation, maintenance and operation of accounting and internal control systems to prevent and detect fraud and error.

The conclusions reached by us are based on the rationale of facts and data that were identified during the investigation/other action taken by us to evaluate the fraud reported by you.

19. In particular, we confirm that we are responsible for the following:

- designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the special purpose interim consolidated financial statements which are free from material misstatements, whether due to fraud or error.
- to set up a vigil mechanism for reporting suspected fraud and administer the mechanism effectively



- take appropriate action to detect the fraud and wrongful gain or loss, if any, incurred on account of the fraud,
 - take appropriate action against the fraudsters,
 - address the control weaknesses which were the root cause for fraud and strengthen the internal control system.
20. We have not withheld from you any relevant information that we are aware of and would have an implication on the process of your responsibilities to report fraud under the Companies Act, 2013.
21. We have acted in good faith and in the best interests of the Company regarding the action taken by the management to evaluate the fraud reported by you.
22. We believe that appropriate action has been taken against employees/officers involved in the fraud and we confirm that appropriate controls have been put in place to ensure that such incidences are avoided in the future.

Compliance with laws and regulations

23. There have been no communications from regulatory agencies concerning non-compliance with or deficiencies in financial reporting practices that could have a material effect on the special purpose interim consolidated financial statements in the event of non-compliance. We are not aware of any irregularities, or allegations of irregularities, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the special purpose interim consolidated financial statements.
24. To the best of our knowledge and belief, the Company has not made any improper payments or payments which are illegal or against public policy.
25. The company has complied with all aspects of contractual agreements which could have a material effect on special purpose interim consolidated financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the special purpose interim consolidated financial statements in the event of non-compliance.
26. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations and contractual agreements, whether or not discussed with legal counsel, whose effects should be considered when preparing the special purpose interim consolidated financial statements.

First time adoption of Ind AS; Transition process and GAAP reconciliation

27. The accounting policies used in the preparation of the special purpose interim consolidated financial statements are consistent with those used in the preparation of its opening Ind AS Balance sheet as at 1 April 2019 and those intended to be used in the preparation of the special purpose interim consolidated financial statements.
28. In preparing the opening Ind AS balance sheet, the exceptions and optional exemptions adopted by the company in accordance with the requirements of Ind AS 101. In all other cases, the Ind AS has been applied retrospectively.
29. In preparing the opening Ind AS Balance sheet as at 1 April 2019 we have:
- (a) Recognised all assets and liabilities whose recognition is required by Ind ASs;
 - (b) Not recognised items as assets or liabilities if Ind ASs do not permit such recognition;
 - (c) Reclassified items that is recognised in accordance with previous GAAP as one type of asset, liability or component of equity but are a different type of asset, liability or component of equity in accordance with Ind ASs and
 - (d) Applied Ind ASs in measuring all recognised assets and liabilities.

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The adjustments arising from the above have been recognised directly in retained earnings (or, if appropriate, another category of equity) as the date of transition to Ind ASs.

The reconciliation between Indian GAAP and Ind AS in respect of the year ended 31 March 2020 as set out in the special purpose interim consolidated financial statements has been prepared in accordance with the requirements of Ind AS 101 in respect of:

- i. a reconciliation of its equity in accordance with previous GAAP at the end of the comparative previous year end to its equity under Ind ASs at that date; and
- ii. a reconciliation to its profit/ loss (including other comprehensive income) in accordance with Ind ASs for the comparative previous year. The starting point for that reconciliation will be total comprehensive income in accordance with previous GAAP for the comparative previous year.

Share capital

30. We have recorded or disclosed, as appropriate, for each class of share capital (with different classes of shares treated separately), the number and amount of shares authorised, the number of shares issued, subscribed and fully paid, and subscribed but not fully paid, par value per share, a reconciliation of the number of shares outstanding at the beginning and at the end of the year/period, and all other requirements in respect of the company's capital including:
 - (a) Shares in the company held by each shareholder holding more than 5 per cent shares specifying the number of shares held.
31. Pursuant the demerger order from NCLT (National Company Law Tribunal) dated 29 April 2020, the Company has issued 10 lakhs equity shares and cancelled 10,000 equity shares. Further, the Company has issued bonus shares in ratio of 1:6 to existing shareholder of the Company.
32. We have disclosed to you, as appropriate, all parties, who have, direct or indirect beneficial ownership in the Company, including executed changes throughout the period end and post 30 September 2020 to the date of this letter.

Reserves and surplus

33. We have classified the reserves of the company appropriately, and the additions and deductions to the reserves since the last balance sheet has been shown under each of the heads specified in Schedule III (Division II) to the Companies Act, 2013.

Financial liabilities- Borrowings

34. The company has not availed any borrowings other than those disclosed in the special purpose interim consolidated financial statements. We have disclosed to you all borrowing arrangements including the nature of security offered (if any), as applicable.
35. The disclosure of terms of repayment of each borrowing such as date of maturity, number and amount of instalments, rate of interest and other significant terms in the special purpose interim consolidated financial statements is accurate and complete.
36. Borrowings were applied for the purpose for which such borrowings were obtained.
37. There has been no debt covenants related with the borrowing and all borrowings are unsecured in nature.

Financial liabilities- Trade payables

38. Amounts classified as trade payables represent bona fide amounts due on account of goods purchased or services received in the normal course of business and do not include liabilities on account of other contractual obligations.

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Provisions

39. All known material liabilities and provisions are included in special purpose interim consolidated financial statements. Full provision has been made for all known liabilities at the Balance sheet date including guarantees, commitments and contingencies where the items are expected to result in significant loss and are classified into long term and short term provision and disclosed appropriately.
40. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Financial liabilities (including Borrowings, Trade payables and other financial liabilities)

41. The company has classified its financial liabilities as subsequently measured at amortised cost, except in instances as disclosed in financials, as provided by Ind AS 109.

Employee benefits

42. All employee benefits i.e., short term, long term, post-employment benefits and termination benefits that the company is committed to providing, including any arrangements that are statutory, contractual or implicit in the company's actions, whether funded or unfunded, have been identified and properly accounted for and/or disclosed.
43. All settlements and curtailments in respect of employment benefit schemes have been identified and properly accounted for.
44. We confirm that we have made you aware of all employee benefit schemes in which employees of the company participate.
45. The liability for gratuity and compensated absences has been determined by an independent actuary as at 30 September 2020 by using projected unit credit method as prescribed under Ind AS 19, Employee Benefits. We have provided the membership data to the actuary for actuarial valuation purposes which is accurate and complete.
46. The actuarial assumptions comprising of demographic assumptions and financial assumptions are unbiased and mutually compatible. The financial assumptions are based on market expectations, at the end of the reporting period, for the period over which the obligations are to be settled. Further, we confirmed that the salary growth rate of 15% has been considered appropriate by management on long term basis.
47. We confirm that we have considered the impact of revised gratuity limits for the purpose of actuarial valuation of gratuity for period ended 30 September 2020.

Share based payment transactions

48. During the period, there were no ESOPs which were issued by the Company.

Property, plant and equipment

49. The expenditure charged to the capital account in the books of the company wholly represents additions to or improvements to the existing capital assets of the company, and the amounts so charged do not in any instance represent repairs and maintenance of such assets or any expenditure properly chargeable to revenue. No capital expenditure has been charged to revenue during the period.
50. The company has adopted the useful lives prescribed under Schedule II of the Companies Act, 2013 to determine the useful lives of its property, plant and equipment's.
51. Provisions for depreciation including obsolescence have been made against property, plant and equipment on the bases described in the special purpose interim consolidated financial statements



and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its useful life.

52. Items of property, plant and equipment have been reviewed for impairment whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable.

Financial assets- Investments

53. Investments do not include any investment held on behalf of any other person.
54. The Company believes that other than disclosed in investment schedule and there is provision for impairment in respect of investments as on 30 September 2020.

Inventories

55. We confirm that the whole of the inventory was the property of the company as at the Balance sheet date and that all inventory owned by the company, wherever located, have been recorded, including goods sent on consignment, but excludes goods sold and not delivered. Inventories do not include :
- goods purchased for which liabilities have not been provided;
 - goods returned by customers without credit to their accounts; or
 - goods billed to customers in advance of delivery.
56. We confirmed that the inventory quantities at the period-end (30 September 2020) were physically verified and traced from the company's inventory records, after adjusting the differences identified during physical verification of inventories.
57. Inventories are valued at lower of cost or net realisable value.

Cost of inventories includes all expenditure which has been incurred in bringing the product to its present location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads. The cost of inventories has been determined using First in First out (FIFO) basis.

58. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory.
59. Provision, where material, has been made for losses as a result of damaged, unusable or obsolete inventories to their estimated net realisable value.

Financial assets- Trade receivables

60. Amounts classified as trade receivables represent bona fide amounts due on account of goods sold or services rendered in the normal course of business. Trade receivables do not include charges for goods shipped on consignment or on approval basis. Trade receivables are expected to be realised in the normal course of business except for which provision has been made in the special purpose interim consolidated financial statements. The provision made by the company for expected losses on collection of debts is adequate.

Financial assets- Cash and bank equivalents

61. The Balance Sheet includes all cash and bank balances of the company. Cash balances have been physically verified at 30 September 2020 at all locations and no discrepancies have been found.
62. There are no old and/or unusual reconciling items between bank balance as per books of account and the bank statements as at the period-end which would result in any adjustment to the special purpose interim consolidated financial statements.
63. We have disclosed to you all earmarked balances with banks, balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments, repatriation restrictions if any, and bank deposits with maturity periods..

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Financial assets (including Investments, Trade receivables, Cash and cash equivalents, loans and other financial assets)

64. We confirmed that the Company has not entered into any hedging contract, derivative or forward contracts.
65. Based on the company's business model for managing the financial assets and the contractual term of cash flows, the company has classified its financial assets in the following measurement categories:
- Those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit or loss)
 - Those measured at amortised cost

Revenue

66. Revenue from sale of products is recognized at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.
67. All revenue transactions are final and there are no side agreements with customers or other terms.

Tax expense

68. We have complied with the income tax requirements within which we operate and have accounted all liabilities of income tax which are due to the relevant income tax authorities. We are not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest. In particular:
- In connection with any tax requirements, we are satisfied that our systems are capable of identifying all material tax liabilities and transactions subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with the law.
 - We have submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities.
69. We believe that the company's international/domestic transactions with associate entities till today, are on an arm's length basis and that the transfer pricing legislation will not have any impact on the special purpose interim consolidated financial statements, particularly on the amount of current tax expense for the period and that of provision for taxation as at the end of the reporting period.
70. Deferred tax asset/ liability reflect the tax impact of temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Adequate reduction in the carrying amount of the deferred tax asset have been made to the extent that it is no longer probable that sufficient taxable profit will be available to be utilised in accordance with Ind AS 12, Income Taxes

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Contingent liabilities

71. The Group does not have any Contingent liabilities as at 30 September 2020 do not include any contingencies, which are likely to result in a loss and which, therefore, require adjustment of assets or liabilities.
72. There are no contingent liabilities, potential liabilities, threatened litigations or capital commitments.
73. There were no guarantees that have been given in favour to third parties, director, officer by the Company.

Other comprehensive income

74. Components of other comprehensive income includes only those items of income and expense that are specifically required or permitted by other Ind AS to be included in other comprehensive income and are not required to be recognized in the Statement of Profit or Loss.
75. We confirmed that the Company has complied with all statutory Act/law and there has been no default of non-payment or non-deposit of statutory dues with appropriate authorities.
76. We confirmed that the Company is in compliance with section 63 of Companies Act, 2013 with respect to bonus issue of equity shares during the period ended 30 September 2020 as the Company is in compliance with following clauses:
 - it is authorised by its articles;
 - it has, on the recommendation of the Board, been authorised in the general meeting of the company
 - it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it
 - it has not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus.
 - has not withdrew the decision of bonus issue after announcing in board meeting
77. We have disclosed to you the identity of the company's related parties and all related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Ind AS 24, Related Party Disclosures.
78. We confirm that related party transactions do not involve any undisclosed side agreements.
79. We confirm that all related party transactions were conducted on terms equivalent to those prevailing in an arm's length transaction and in the ordinary course of business
80. There are no
 - onerous contracts, under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets;
 - losses arising from sale and purchase commitments
 - agreements and options to buy back assets previously sold
 - assets pledged as collateral
 - other agreements not in the ordinary course of business.
81. No payment has been made during the period whether directly or indirectly, by way of advertisement or otherwise to any political party in contravention of the provisions of the Companies Act, 2013.
82. No contribution has been made to National Defence Fund or any other Fund approved by the Central Government for the purpose of national defence during the period.

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83. The company has identified and disclosed segment information in accordance with the requirements of Ind AS 108, Operating Segments.
84. Operating segments have been identified based on the way in which the segments are organised within the Company for making operating decisions and in assessing performance. Subject to the specific requirements of Ind AS 108, financial information is disclosed in the same manner and based on the same policies as they are reported internally and used by that person or group of persons (the Company's chief operating decision maker) that make decisions about the resources to be allocated to the operating segments and assess their performance.
85. The Company has disclosed the information with regard to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 on the basis of available information.
86. None of the directors is disqualified as on 30 September 2020 or till today from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
87. We agree with the findings of experts in evaluating the compliance of Ind AS 19 and have adequately disclosed the competence and capabilities of the experts in determining the amounts and disclosures used in the preparation of the special purpose interim consolidated financial statements and underlying accounting records. We are not aware of any matters that have had an impact on the objectivity of the experts.
88. We have disclosed the full particulars of the investment made till date of this letter (if any). Further, there are no loans given or guarantee given or security provided.
89. In respect of contracts terminated during the period (if any), and based on the risks assessed by the management, there are no unrecorded liabilities against the company which could arise subsequently and result in potential outflow of funds.
90. The assets and liabilities of the company have been classified as current or non-current based on the following criteria
An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- The Group classifies all other assets as non-current.
- A liability is current when:
- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Group classifies all other liabilities as non-current.
- Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the company has been calculated as 12 months.

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91. We confirm that in estimating the loss allowance for expected credit losses we have considered relevant, reasonable and supportable forward-looking information available without undue cost and effort at the reporting date.
92. We confirm that there are no changes in fair value of financial assets due to market conditions that give rise to market risk.
93. The disclosure related to accounting estimates are complete and appropriate under the applicable financial reporting framework.
94. Where we have assigned fair values to financial instruments, we confirm that the valuation techniques, the inputs to those techniques and assumptions that have been made are appropriate, and in line with the business environment in which we operate.

Corporate Social Responsibility

95. The Company has complied with the provisions relating to corporate social responsibility as prescribed under section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Schedule VII to the Companies Act, 2013 and any other pronouncements issued by the Ministry of Corporate Affairs and the Institute of Chartered Accountants of India in this regard from time to time.

Business combinations

96. We confirmed that pursuant to the scheme of demerger, the investment in subsidiary Nureca Inc was transferred by Nectar Biopharma Private Limited from the appointed date of 1 April 2019. The said demerger has been accounted as a common control business combination in line with the principles prescribed under Ind AS 103 "Business Combinations". Accordingly, the Scheme has been given effect by combining all assets and liabilities of the transferor companies with the assets and liabilities of the transferee company at their carrying amounts and preserving the identity of the reserves in the same form as they appeared in the financial statements of the transferor companies. Since this is a common control transaction, the financial information in the special purpose interim consolidated financial statements in respect of prior periods has been restated as if the business combination had occurred from the beginning of the preceding period in the special purpose interim consolidated financial statements, irrespective of the actual date of the combination.

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 10,000,000/- (Rupees ten millions only) divided into 1,000,000 (one million) 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 ten millions only) divided into 1,000,000 (one million) Equity Shares of INR. 10/ (Rupees ten millions only) each." Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the certain portion of business activities 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"). It is clarified that no cash

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consideration shall be paid by the resulting company to the demerged company or its shareholders. We confirmed the accuracy of Book value of assets and liabilities related to the demerged undertaking of the demerged company transferred are as under:

(Amount in millions)	
Particulars	As at 1 April 2019
ASSETS	
Property, plant and equipment	0.62
Non current Investments	0.46
Loans (refer note (a) below)	0.35
Inventories	127.14
Trade Receivables	98.54
Cash and cash equivalent (refer note (a) below)	7.53
Deferred tax asset (net)	0.62
Other current assets (refer note (a) below)	2.77
Other current assets	2.78
Total assets	240.26
LIABILITIES	
Trade Payables	96.76
Borrowings (refer note (a) below)	37.86
Other current liabilities (refer note (a) below)	2.15
Other current liabilities	0.91
Current tax liability (refer note (a) below)	17.06
Provisions	0.32
Total liabilities	155.08
Share capital to be cancelled on account of arrangement	(0.10)
Retained earnings taken over	98.25
Net (liabilities) taken over (shown under capital reserve in other equity)	(12.96)

Note (a) 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 / payable from/to the resulting company.

Functional currency

97. We have considered which currency is the currency of the primary economic environment in which the Company operates (the "functional currency"). In making this assessment, we have used our judgment to determine the functional currency that most faithfully represents the underlying transactions, events and conditions of the Company. We have concluded that the functional currency of the Company is Indian rupees.
98. We confirm that all scanned/ digitized/ filmed/ electronic documents provided by us to the audit team during the lockdown period are 'True Copies' of the original document.
99. We confirmed that on 10 June, 2020, the Board of directors of the Company had approved the formation of a new wholly-owned subsidiary, Nureca Technologies Private Limited, with an authorised share capital of INR 0.1 million which was incorporated on 13 July 2020. Further, on 31 July 2020, the Board of directors of the Company have approved the formation of a new wholly-owned subsidiary, Nureca Healthcare Private Limited, with an authorised share capital of INR 0.1 million which was incorporated on 11 August 2020.
100. Pursuant to a family settlement, Mr Saurabh Goyal (Promoter and Managing Director), Mr Aryan Goyal (Chief Executive Officer) and their families disassociated from their parents Mr. Sanjeev Goyal and Mrs. Raman Goyal. The family settlement was effected by way of family partition deed dated 10 September 2020 entered into Mr Saurabh Goyal, Aryan Goyal from their



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parents Sanjiv Goyal and Mrs. Raman Goyal in relation to the separation of assets and businesses. Sanjiv Goyal is the promoter and director in a pharmaceutical company known as Nectar Life Science Limited. We confirmed that Mr. Saurabh Goyal and Mr. Aryan Goyal has gifted there shareholding in Nectar Life Science Limited to Mr. Sanjeev Goyal and his HUF as at 25 July 2019.

101. We confirmed that On 9 May 2020, the Company entered into an agreement with Nectar Biopharma Private Limited to facilitate the operations of the Company in accordance with the applicable laws in India, with effect from 23 May 2020 (i.e the effective date of the scheme of arrangement) until such time that the Company is able to fulfill all legal formalities including but not limited to transfer of relevant licenses and obtaining requisite approvals from appropriate authorities. Under this agreement, Nectar Biopharma Private Limited would act as agent of the Company and be responsible for procurement of goods, provision of business support services and further sale of goods on behalf of the Company for which Nectar Biopharma Private Limited is entitled to commission fees based on a percentage of sales and purchases made on behalf of the Company and service fee based on cost of services rendered which are considered to be on arms length. Accordingly, the Company has recognised revenue from sales of products and purchase of stock in trade on gross basis and inventory held by Nectar Biopharma Private Limited at reporting date as its own inventory since the Company is the principal for the transaction. In doing so, the Company has evaluated that it controls the goods before it is transferred to the customer and considered that it has the primary obligation to fulfil the contract, inventory risk, pricing discretion and other factors to determine that it controls the goods and therefore is acting as a principal.
102. Search and seizure operations under section 132 of the Income Tax Act, 1961 / Section 37 A of the Wealth Tax Act, 1957 were carried out by the income tax department from December 13, 2020 to December 15, 2020 at residences of the Company's Promoter Saurabh Goyal, members of the Promoter Group Aryan Goyal, Payal Goyal and Smita Goyal in the case of Nectar Lifesciences Limited alongside Sanjiv Goyal, Raman Goyal, Aryan Goyal, Payal Goyal, Saurabh Goyal and Smita Goyal. During the course of the search and seizure operations, the income tax authorities impounded certain items such as cash, jewellery and ornaments. Further, Search and seizure operations under section 132 of the Income Tax Act, 1961 / Section 37 A of the Wealth Tax Act, 1957 were carried out by the income tax department on December 13, 2020 at the residence of one of the Company's Director Rajinder Sharma in the case of Nectar Lifesciences Limited and Avensis Exports Private Limited. During the course of the search and seizure operations, the income tax authorities impounded a mobile set. We confirmed that as on the date of approval of these financial statements, none of the Company's promoters, members of promoter group or Directors have received further communication and / or notice from the Income tax authorities in relation to the abovementioned search and seizure proceedings. Further, we confirmed that the transactions of the Company are fully compliant with the relevant provisions of the Income Tax Act, 1961 and hence, no provision is required for any tax liability.
103. **Other matters**
- All events subsequent to the date of the special purpose interim consolidated financial statements and for which applicable accounting standards in India require adjustment or disclosure have been adjusted or disclosed.
 - The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The company has not granted loans secured/ unsecured to company(ies)/firm(s)/ Limited Liability Partnerships or other party(ies) covered in the register maintained under section 189 of the Companies Act, 2013.

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- d. The provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities given have been complied with by the company.
- e. The company has not accepted any deposits.
- f. We confirmed that the Company has complied with relevant provision of Provident Fund Act, Employees' State Insurance Act, Income-tax Act, Customs Act, Goods and Services Act, and other statutory Act as applicable to the Company. Further, we confirmed that the Company has regularly deposited such dues with the appropriate authorities.
- g. The company has not taken any loans or borrowings from financial institution, banks, government or issued any debenture till date of this letter.
- h. No fraud by the company or any fraud on the Company by its officers or employees, has been noticed or reported during the period.
- i. We confirmed that all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in special purpose interim consolidated financial statements.
- j. The Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the period and till date of this letter.
- k. We confirmed that the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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


Saurabh Goyal
Managing Director


Aryan Goyal
CEO


Sakshi Mittal
CFO

Date: 10 January 2021
Place: Chandigarh