

**Nureca Limited**  
**Standalone Financial Statements**  
**As at and for the years ended 31 March 2022**

**Nureca Limited**  
**Standalone Balance sheet as at 31 March 2022**  
*(Amount in INR million, unless otherwise stated)*

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
<b>Assets</b>			
(1) <b>Non-current assets</b>			
(a) Property, plant and equipment	3a	32.68	4.38
(b) Right-of-use assets	4a	41.19	29.29
(c) Intangible assets	3b	23.92	-
(d) Intangible assets under development	3c	4.23	3.02
(e) Financial assets			
- Investments	5	13.06	8.16
- Other financial assets	6	22.14	0.85
(f) Deferred tax assets (net)	29d	1.01	5.52
<b>Total non-current assets</b>		<b>138.23</b>	<b>51.22</b>
(2) <b>Current assets</b>			
(a) Inventories	7	631.66	367.76
(b) Financial assets			
- Investments	5	331.86	-
- Trade receivables	8	28.68	2.27
- Cash and cash equivalents	9	81.58	169.99
- Bank balances other than cash and cash equivalents	10	760.28	1,094.30
- Other financial assets	6	67.38	56.07
(c) Other current assets	11	155.68	117.00
<b>Total current assets</b>		<b>2,057.12</b>	<b>1,807.59</b>
<b>Total assets</b>		<b>2,195.35</b>	<b>1,858.81</b>
<b>Equity and liabilities</b>			
(1) <b>Equity</b>			
(a) Equity share capital	12	100.00	100.00
(b) Other equity	13	1,937.43	1,532.92
<b>Total equity</b>		<b>2,037.43</b>	<b>1,632.92</b>
<b>Liabilities</b>			
(2) <b>Non-current liabilities</b>			
(a) Financial liabilities			
- Borrowings	14	-	7.79
- Lease liabilities	15	32.81	25.57
(b) Provisions	16	4.14	4.51
<b>Total non-current liabilities</b>		<b>36.95</b>	<b>37.87</b>
(3) <b>Current liabilities</b>			
(a) Financial liabilities			
- Borrowings	14	-	1.46
- Lease liabilities	15	10.48	3.30
- Trade payables	17		
- total outstanding dues of micro and small enterprises		3.61	5.09
- total outstanding dues of creditors other than micro and small enterprises		43.38	82.53
- Other financial liabilities	18	0.07	0.08
(b) Other current liabilities	19	41.20	50.47
(c) Provisions	16	1.69	0.70
(d) Current tax liabilities (net)	20	20.54	44.39
<b>Total current liabilities</b>		<b>120.97</b>	<b>188.02</b>
<b>Total liabilities</b>		<b>157.92</b>	<b>225.89</b>
<b>Total equity and liabilities</b>		<b>2,195.35</b>	<b>1,858.81</b>

Significant accounting policies

Notes to the standalone financial statements

The accompanying notes form an integral part of the standalone 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

For and on behalf of Board of Directors of  
Nureca Limited

Saurabh Goyal  
Managing Director  
DIN : 00136037  
Place: Chandigarh  
Date: 28 May 2022

Nishant Garg  
Chief Financial Officer  
Place: Chandigarh  
Date: 28 May 2022

Aryan Goyal  
Whole-time Director & CEO  
DIN : 00002869  
Place: U.S.A  
Date: 28 May 2022

Chetna Anand  
Company Secretary  
Membership No.: 0031099  
Place: Chandigarh  
Date: 28 May 2022

Place: Chandigarh  
Date: 28 May 2022

**Nureca Limited**  
**Standalone Statement of Profit and Loss for year ended 31 March 2022**  
*(Amount in INR million, unless otherwise stated)*

Particulars	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>I Revenue from operations</b>	21	2,555.49	2,133.31
<b>II Other income</b>	22	77.20	28.17
<b>III Total income (I + II)</b>		<b>2,632.69</b>	<b>2,161.48</b>
<b>IV Expenses</b>			
Purchase of stock-in-trade	23	1,595.34	1,199.00
Changes in inventories of stock-in-trade	24	(269.16)	(205.30)
Employee benefits expense	25	98.31	45.83
Finance costs	26	7.31	15.97
Depreciation and amortization expense	27	14.32	4.09
Other expenses	28	573.27	476.96
<b>Total expenses (IV)</b>		<b>2,019.39</b>	<b>1,536.55</b>
<b>V Profit before tax (III-IV)</b>		<b>613.30</b>	<b>624.93</b>
<b>VI Tax expense:</b>			
(i) Current tax	29	155.70	164.69
(ii) Deferred tax	29a	4.51	(5.10)
<b>Total tax expense</b>		<b>160.21</b>	<b>159.59</b>
<b>VII Profit for the year (V-VI)</b>		<b>453.09</b>	<b>465.34</b>
<b>VIII Other comprehensive income/(loss)</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligation		1.90	0.12
Income tax relating to remeasurement of defined benefit		(0.48)	(0.03)
<b>Total other comprehensive income for the year (net of tax)</b>		<b>1.42</b>	<b>0.09</b>
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>454.51</b>	<b>465.43</b>
<b>Earnings per equity share</b>			
Basic and diluted [nominal value of INR 10 per share]	30	45.31	62.25
<b>Significant accounting policies</b>	2		
<b>Notes to the standalone financial statements</b>	3-42		

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached.


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

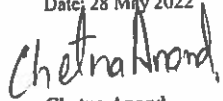
For and on behalf of Board of Directors of  
**Nureca Limited**

  
**Gaurav Mahajan**  
Partner  
Membership Number : 507857

  
**Saurabh Goyal**  
Managing Director  
DIN : 00136037  
Place: Chandigarh  
Date: 28 May 2022

  
**Nishant Gare**  
Chief Financial Officer  
Place: Chandigarh  
Date: 28 May 2022

  
**Aryan Goyal**  
Whole-time Director & CEO  
DIN : 00002869  
Place: U.S.A  
Date: 28 May 2022

  
**Chetna Anand**  
Company Secretary  
Membership No.: 0031099  
Place: Chandigarh  
Date: 28 May 2022

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Date: 28 May 2022

**Nureca Limited**  
**Statement of Changes in Equity for the year ended 31 March 2022**  
*(Amount in INR million, unless otherwise stated)*

Particulars	Note	As at 31 March 2022		As at 31 March 2021	
		Number of shares	Amount	Number of shares	Amount
<b>A Equity share capital</b>		1,00,00,175	100.00	10,000	0.10
Balance at the beginning of the year				10,000	10.00
Add: Share capital issued pursuant to scheme of arrangement	12(d)	-	-	(10,000)	(0.10)
Less: Share capital cancelled pursuant to scheme of arrangement	12(e)	-	-	60,000	60.00
Add: Bonus share issued during the year	12(f)	-	-	5,000	5.00
Add: Shares issued on private placement basis	12(g)	-	-	25,000	25.00
Add: Fresh issue through initial public offering	12(h)	-	-	-	-
Balance at the end of the year		1,00,00,175	100.00	1,00,00,175	100.00
<b>B Other equity (Refer note 13)</b>					
<b>Particulars</b>		<b>Equity share capital pending allotment pursuant to arrangement</b>	<b>Equity share capital pending cancellation pursuant to arrangement</b>	<b>Reserves and surplus</b>	<b>Total</b>
				<b>Capital reserve</b>	
Balance as at 1 April 2020		10.00	(0.10)	(12.96)	149.50
<b>Total comprehensive income for the year</b>					
Add: Profit for the year		-	-	465.34	465.34
Add: Other comprehensive income/loss (net of tax) for the year		-	-	0.09	0.09
Total comprehensive income for the year		10.00	(0.10)	618.09	618.03
Add: Share capital cancelled pursuant to scheme of arrangement		(10.00)	0.10	-	0.10
Less: Share capital issued pursuant to scheme of arrangement		-	-	(10.00)	(10.00)
Less: Bonus share issued during the year		-	-	(60.00)	(60.00)
Add: Premium on issue of equity shares on private placement basis		-	-	45.00	45.00
Add: Premium on issue of equity shares through initial public offering		-	-	975.00	975.00
Less: Utilization towards share issue expenses (Refer note 39)		-	-	(32.21)	(32.21)
Balance as at 31 March 2021		-	-	987.79	558.69
<b>Particulars</b>		<b>Equity share capital pending allotment pursuant to arrangement</b>	<b>Equity share capital pending cancellation pursuant to arrangement</b>	<b>Reserves and surplus</b>	<b>Total</b>
				<b>Capital reserve</b>	
Balance as at 1 April 2021		-	-	(12.96)	558.09
<b>Total comprehensive income for the year</b>					
Add: Profit for the year		-	-	453.09	453.09
Add: Other comprehensive income (net of tax) for the year		-	-	1.42	1.42
Total comprehensive income for the year		-	-	1,012.60	1,987.43
Less: Final dividend paid for financial year 2020-2021		-	-	(20.00)	(20.00)
Less: Interim dividend paid for financial year 2021-2022		-	-	(30.00)	(30.00)
Balance as at 31 March 2022		-	-	962.60	1,937.43

Significant accounting policies  
 Notes to the standalone financial statements  
 The accompanying notes form an integral part of the standalone financial statements

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

*[Signature]*  
 Gaurav Mishra  
 Partner  
 Membership Number: 507857

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

Saurabh Goyal  
 Managing Director  
 DIN: 00136037  
 Place: Chandigarh  
 Date: 28 May 2022

Nishant Garg  
 Chief Financial Officer  
 Place: Chandigarh  
 Date: 28 May 2022

Arvan Goyal  
 Whole-time Director & CEO  
 DIN: 00002869  
 Place: U.S.A.  
 Date: 28 May 2022

Chetna Anand  
 Company Secretary  
 Membership No.: 0031099  
 Place: Chandigarh  
 Date: 28 May 2022

*[Signature]*  
 Arvan Goyal

*[Signature]*  
 Chetna Anand

Place: Chandigarh  
 Date: 28 May 2022

Nureca Limited  
Standalone Statement of Cash Flow for the year ended 31 March 2022  
(Amount in INR million, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A Cash flows from operating activities</b>		
Profit before tax for the year	613.30	624.93
Adjustments for:		
Depreciation expense	14.32	4.09
Income on unwinding of security deposits	(0.07)	(0.02)
Unrealized foreign exchange (gain)	(0.65)	(1.60)
Finance costs	7.31	15.97
Interest income	(52.33)	(17.55)
Gain on mutual funds	(6.51)	-
Operating cash flows before working capital changes	575.37	625.82
Working capital adjustments		
(Increase) in inventories	(263.90)	(203.50)
(Increase)/decrease in trade receivables	(25.84)	126.69
(Decrease)/increase in trade payables	(39.98)	30.70
(Increase) in other assets	(41.08)	(124.64)
(Decrease)/increase in other current liabilities	(9.27)	42.35
Increase in provisions	2.52	4.25
Cash generated from operating activities	197.82	501.67
Income tax paid (net)	(179.55)	(150.66)
Net cash generated from operating activities (A)	18.27	351.01
<b>B Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(32.60)	(0.95)
Purchase of intangible assets under development	(1.21)	(3.02)
Purchase of intangible assets	(24.74)	-
Interest income received	40.41	1.37
Investment in subsidiaries	(4.90)	(7.70)
Purchase of mutual funds	(325.35)	-
Fixed deposits (placed)/redeemed	314.72	(1,094.50)
Net cash (used in) investing activities (B)	(33.67)	(1,104.80)
<b>C Cash flows from financing activities</b>		
Proceeds from issue of equity shares on private placement basis	-	50.00
Proceeds from issue of equity shares through initial public offer	-	1,000.00
IPO expenses	-	(32.21)
Payment of lease liabilities (including interest)	(9.53)	(4.65)
Interest paid	(4.30)	(8.26)
Repayment of non-current borrowings	(7.79)	(128.85)
(Repayment)/proceeds from current borrowings (net)	(1.46)	47.36
Dividend Paid	(49.93)	-
Net cash (used in)/generated from financing activities (C)	(73.01)	923.39
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(88.41)	169.60
Cash and cash equivalents at the beginning of the year	169.99	0.39
Cash and cash equivalents at the end of the year	81.58	169.99
<b>Notes:</b>		
1. Components of cash and cash equivalents		
Balances with banks:		
- In current accounts	1.58	3.99
- Fixed deposits with original maturity upto three months	80.00	166.00
	81.58	169.99

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2.3.18.
3. Refer note 14(C) for reconciliation of movements of liabilities to cash flows arising from financing activities.
3. During the year, the Company paid in cash Rs. Nil (previous year: Rs. 0.76) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 28(b)).x

Significant accounting policies

2

Notes to the standalone financial statements

3-42

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

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

Gaurav Bhattachan  
Partner  
Membership Number : 507857

For and on behalf of Board of Directors of  
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Company Secretary  
Membership No.: 0031099  
Place: Chandigarh  
Date: 28 May 2022

Place: Chandigarh  
Date: 28 May 2022

**Note 1. Corporate information**

Nureca Limited ("the Company") is a public limited company which is domiciled and incorporated in Republic of India under the provisions of the Companies Act, 2013 (CIN L24304MH2016PLC320868) on 02 November 2016 and has been converted into a public company with effect from 08 July 2020 with registered office situated at Office no. 101, 1st Floor, Udyog Bhavan, Sonawala Lane, Goregaon E, Mumbai – 400063. The Company got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India on 25 February 2021.

The Company is engaged in the business of home healthcare and wellness products.

**Note 2. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation***a. Statement of compliance*

These standalone Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with 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.

Effective 01 April 2019, the Company had transitioned to Ind AS while the financial statements were being prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (previous GAAP) till 31 March 2020 and the transition was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards". While carrying out transition, in addition to the mandatory exemptions, the Company had elected to certain exemption which are listed as below:

- a. The Company had opted to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognized in the financial statements prepared under previous GAAP and use the same as deemed cost in the financial statement as at the transition date.
- b. The Company had opted to carry the assessment whether a contract or arrangement contains a lease on the basis of and circumstances existing at the date of transition except where the effect is not expected to be material. In accordance with Ind AS 17, this assessment should be carried out (at the inception of the contract or arrangement).

The standalone financial statements for the year ended 31 March 2022 were approved for issue by the Company's Board of Directors on 28 May 2022.

*b. Functional and presentation currency*

Items included in these Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone Ind AS 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 these Ind AS financial statements.



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*c. Basis of measurement*

The standalone financial statements have 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	Fair value
Defined benefits obligation	Present value of defined benefits obligations

*d. Use of estimates and judgments*

The estimates used in the preparation of the Standalone Financial Statements of each year presented are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company 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 Company regularly assesses these estimates, actual results could differ 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 Standalone Financial Statements in the period in which they become known.

Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. The Management believes that the estimates used in preparation of these financial statements are prudent and reasonable. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

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 Company. 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 Company 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 Company uses judgement in making these assumptions and selecting the inputs to the impairment



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calculation., based on the Company'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 Company 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.

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 Company 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 Company 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 Company 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 - Company as lessee*

The Company 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 Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or



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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 Company 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 Standalone Statement of Assets and Liabilities Balance Sheet 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.

e. *Current vs non-current classification*

The Company presents assets and liabilities in the 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 Company 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;
- 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 Company 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 Company has identified twelve months as its operating cycle.

f. *Measurement of fair values*

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues, if any, are reported to the Company's board of directors.



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Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted 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)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 40(a).

## 2.2 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 Company 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 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 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 year the Company changes its business model for managing financial assets.

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 Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (designated as FVOCI – equity investment). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.



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If the Company 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 Statement of Profit and Loss, even on sale of investment. However, the Company 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 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 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 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.

Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its 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 Company 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 Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in the Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or



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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 Statement of Profit and Loss.

*c. Reclassification of financial assets and liabilities*

The Company 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 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 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 Company and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

Cost of asset includes:

- Purchase price, net of any trade discounts and rebates;
- Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use; and
- 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 Company and cost of the expenditure can be measured reliably.

### 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 year 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.



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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 Statement of Profit and Loss when the asset is derecognized.

### 2.4 Other Intangible assets

#### Acquired Intangible

Intangible assets that are acquired (including implementation of software system) are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Advances paid towards acquisition of intangible assets outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as intangible assets under development.

After initial recognition, an intangible asset is carried at its cost less accumulated amortisation and any accumulated impairment loss.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

#### Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method and is included in depreciation and amortisation expense in Statement of Profit and Loss.

### 2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Leases in which the Company is a lessee

The Company's lease asset classes primarily consist of leases for buildings, furniture and fixture. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. 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 recognised in the statement of profit and loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financial liabilities' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The Company recognises the lease payments associated with these leases as an expense in the Statement of Profit or Loss over the lease term.

## 2.6 Impairment

### a. Impairment of financial assets

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;



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- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

Measurement of expected credit losses

In accordance with Ind AS 109, the Company 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

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

The application of simplified approach does not require the Company 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.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

*b. Impairment of non-financial assets*

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows (i.e. corporate assets) are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).



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The Company's corporate assets (e.g head office building for providing support to CGU) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## 2.7 Inventories

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.

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.

## 2.8 Foreign currency transactions

### *Initial recognition*

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

### *Measurement at the reporting date*

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

## 2.9 Revenue recognition

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability is recognised when there is billings in excess of revenues.



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Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

The Company disaggregates revenue from contracts with customers by geography.

Use of significant judgements in revenue recognition:

- a) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.
- d) The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.
- e) Revenue for fixed-price contract is recognised using percentage-of-completion method. The Company uses judgement to estimate the future cost-to-completion of the contracts which is used to determine the degree of completion of the performance obligation.
- f) Contract fulfilment costs are generally expensed as incurred except for certain expenses which meet the criteria for capitalisation. Such costs are amortised over the contractual period. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

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

*1. 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 Company expects to be entitled in exchange for those goods or services.

The Company 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.



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If the consideration in a contract includes a variable amount, the Company 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 Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

## II. Contract balances

**Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company 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 Company'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 Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

## III. Right of return

Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company 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 Company 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 Company recognizes a refund 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 Company has 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.

## 2.10 Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.



**2.11 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 year and is computed in accordance with relevant tax regulations. Current tax is recognized in 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 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 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.

**2.12 Employee benefits***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 Statement of Profit and Loss in the period in which the employee renders the related services.

*a) Post-employment benefits*

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

The Company 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 Company's contribution is recognized as an expense in the Statement of Profit and Loss during the 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 Company. The Company's liability towards gratuity is in the nature of defined benefit plan.



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

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 Company'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 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 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 Company recognizes related restructuring costs or termination benefits.

*b) Other employee benefits*

Benefits under the Company's compensated absences policy up until 31 August 2020 constituted other long-term employee benefits, recognized as an expense in the Statement of Profit and Loss for the period in which the employee has rendered services. The obligation recognized in respect of these 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 Statement of Profit and Loss as employee benefit expenses.

**2.13 Provisions, contingent assets and contingent liabilities**

*Provisions (other than employee benefits)*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

*Onerous contracts*

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract



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and the expected net cost of continuing with the contract. Before a provision is established, the company recognises any impairment loss on assets associated.

*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.

*Contingent assets*

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

*Commitments*

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting date.

**2.14 Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

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

**2.15 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, demand deposits held with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.16 Statement of cash flows**  
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.

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

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

**2.18 Earnings per share**

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



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profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the 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 year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all 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.

## 2.19 Recent Indian Accounting Standards (Ind AS)

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Ind AS 16 Property, Plant and Equipment** – For items produced during testing/trial phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss and considered as part of cost of PPE.

**Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets** – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.

**Ind AS 41 Agriculture**– This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

**Ind AS 101 – First time Adoption of Ind AS** – Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.

**Ind AS 103 – Business Combination** – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.

**Ind AS 109 Financial Instruments** – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



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Note to the standalone financial statements for the year ended 31 March 2022  
(Amount in INR million, unless otherwise stated)

Note 3a - Property, plant and equipment and capital work in progress

Particulars	Gross carrying amount			Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	As at 1 April 2021	As at 31 March 2022
Leasehold improvement	-	7.25	-	7.25	-	0.23	-	7.02
Furniture and fixtures	2.27	5.10	-	7.37	0.31	0.37	1.96	6.69
Office equipment	2.20	1.68	-	3.88	0.58	0.61	1.62	2.69
Computers	1.80	4.40	-	6.20	1.11	-	0.80	4.09
Plant & machinery	-	2.41	-	2.41	-	0.10	-	2.31
Vehicle	-	11.76	-	11.76	-	1.88	-	9.88
<b>Total</b>	<b>6.27</b>	<b>32.60</b>	<b>-</b>	<b>38.87</b>	<b>1.89</b>	<b>4.30</b>	<b>4.38</b>	<b>32.68</b>

Particulars	Gross carrying amount			Accumulated depreciation			Net block	
	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Charge for the year	As at 1 April 2020	As at 31 March 2021
Furniture and fixtures	2.09	0.18	-	2.27	0.11	0.20	1.98	1.96
Office equipment	1.50	0.70	-	2.20	0.22	0.36	1.28	1.62
Computers	1.73	0.07	-	1.80	0.44	0.56	1.29	0.80
<b>Total</b>	<b>5.32</b>	<b>0.95</b>	<b>-</b>	<b>6.27</b>	<b>0.77</b>	<b>1.12</b>	<b>4.55</b>	<b>4.38</b>

Capital work in progress

Particulars	As at 1 April 2020	Additions	Capitalization	As at 31 March 2021	As at 31 March 2022
Leasehold improvement	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.30</b>	<b>6.30</b>	<b>-</b>

Note 3b - Other intangible assets

Particulars	Gross carrying amount			Accumulated amortisation			Net block	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	As at 1 April 2021	As at 31 March 2022
Software	-	0.49	-	0.49	-	0.01	-	0.48
Mobile application	-	24.25	-	24.25	-	0.81	-	23.44
<b>Total</b>	<b>-</b>	<b>24.74</b>	<b>-</b>	<b>24.74</b>	<b>-</b>	<b>0.82</b>	<b>-</b>	<b>23.92</b>

Note 3c - Intangible asset under development

Particulars	As at 1 April 2020	Additions	Capitalization	As at 31 March 2021	As at 31 March 2022
Mobile application project	-	3.02	-	3.02	4.23
<b>Total</b>	<b>-</b>	<b>3.02</b>	<b>-</b>	<b>3.02</b>	<b>4.23</b>

Intangible assets under development ageing schedule

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
As at 31 March 2022	-	-	-	-
Mobile application project	4.23	-	-	4.23

	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	More than 3 years	
As at 31 March 2021	-	-	-	-
Mobile application project	3.02	-	-	3.02

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



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**Nureca Limited**  
**Note to the standalone financial statements for the year ended 31 March 2022**  
*(Amount in INR million, unless otherwise stated)*

**Note 4 - Right-of-use assets**

The Company has entered into agreements for leasing corporate office and warehouses on lease. The leases typically run for a period of 1-9 years.

**a. Information about leases for which the Company is a lessee is presented below:**

**Right-of-use assets - Building**

Balance as at beginning of the year  
 Additions  
 Deletion  
 Depreciation for the year  
 Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	29.29	6.09
Additions	21.10	29.22
Deletion	-	(3.06)
Depreciation for the year	(9.20)	(2.96)
Balance as at end of the year	<u>41.19</u>	<u>29.29</u>

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

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

**Lease liabilities included in the balance sheet**

Current  
 Non-current  
 Total

	As at 31 March 2022	As at 31 March 2021
Current	10.48	3.30
Non-current	32.81	25.57
Total	<u>43.29</u>	<u>28.87</u>

Balance as at beginning of the year  
 Additions  
 Deletions  
 Accreditation of interest  
 Payment of lease liabilities  
 Balance as at end of the year

	As at 31 March 2022	As at 31 March 2021
Balance as at beginning of the year	28.87	6.30
Additions	20.87	28.90
Deletions	-	(3.10)
Accreditation of interest	3.08	1.42
Payment of lease liabilities	(9.53)	(4.65)
Balance as at end of the year	<u>43.29</u>	<u>28.87</u>

**d. As at year end date, the Company 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**

Less than one year  
 After one year but not longer than three years  
 More than three years  
 Total

	As at 31 March 2022	As at 31 March 2021
Less than one year	13.74	5.93
After one year but not longer than three years	27.21	10.02
More than three years	17.54	22.98
Total	<u>58.49</u>	<u>38.93</u>

**f. The Company does not face 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 Company 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 Company has elected not to recognize 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 Statement of Profit and Loss on straight line basis.**

**h. The table below provides details regarding amounts recognized in the Statement of Profit and Loss:**

Expenses relating to short-term leases and/or leases of low-value items  
 Variable lease payments  
 Interest on lease liabilities  
 Depreciation expense  
 Total

	For the year ended 31 March 2022	For the year ended 31 March 2021
Expenses relating to short-term leases and/or leases of low-value items	6.31	0.85
Variable lease payments	-	1.31
Interest on lease liabilities	3.08	1.42
Depreciation expense	9.20	2.96
Total	<u>18.59</u>	<u>6.54</u>

**i. The following are the amounts recognized in statement of cash flows:**

Total cash outflow for leases including short term leases/leases of low-value item and variable lease payments

	For the year ended 31 March 2022	For the year ended 31 March 2021
Total cash outflow for leases including short term leases/leases of low-value item and variable lease payments	<u>15.84</u>	<u>6.81</u>

**Note 5 - Investments**

**Non-current Investments**

Investments in Equity Instruments  
 Unquoted investments (fully paid-up)  
 Subsidiary companies (at cost)

- Nureca INC #  
 71,000 (31 March 2021: 71,000) equity shares of USD 0.10/- each fully paid-up  
 - Nureca Technologies Private Limited  
 1250,000 (31 March 2021: 7,60,000) equity shares of INR 10/- each fully paid-up  
 - Nureca Healthcare Private Limited  
 10,000 (31 March 2021: 10,000) equity shares of INR 10/- each fully paid-up

Total

	As at 31 March 2022	As at 31 March 2021
- Nureca INC #	0.46	0.46
- Nureca Technologies Private Limited	12.50	7.60
- Nureca Healthcare Private Limited	0.10	0.10
Total	<u>13.06</u>	<u>8.16</u>

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**Nureca Limited**

**Note to the standalone financial statements for the year ended 31 March 2022**

(Amount in INR million, unless otherwise stated)

**Current Investments**

*In Other Companies (quoted investment at fair value)*

**- Mutual Fund**

74,698.12 (31 March 2021 : Nil) Units of INR 437.71 in ICICI Pru Savings Fund-Direct	32.70	-
8,08,160.46 (31 March 2021 : Nil) Units of INR 51.05 in ICICI Pru Short Term Fund-Direct Plan-Growth	41.25	-
3,03,848 (31 March 2021 : Nil) Units of INR 38.45 in ICICI Prudential Medium Term Bond Fund - Direct Plan - Growth	11.68	-
1,75,104.81 (31 March 2021 : Nil) Units of INR 29.29 in ICICI Pru Equity- Arbitrage Fund - Direct	5.13	-
1,12,342.05 (31 March 2021 : Nil) Units of INR 360.66 in ICICI Pru Floating interest Fund-Direct	40.52	-
8,01,918.36 (31 March 2021 : Nil) Units of INR 27.23 in SBI Short Term Debt Fund-Direct	21.84	-
19,800.31 (31 March 2021 : Nil) Units of INR 1027.96 in Axis Floater Fund-Direct	20.35	-
1,07,057.98 (31 March 2021 : Nil) Units of INR 31.67 in Kotak Equity- Arbitrage Fund - Direct	3.39	-
11,026.59 (31 March 2021 : Nil) Units of INR 3132.88 in Kotak Corporate Bond Fund - Direct	34.54	-
43,851.28 (31 March 2021 : Nil) Units of INR 1227.33 in Kotak Floating Rate Fund-Direct	53.82	-
6,995.33 (31 March 2021 : Nil) Units of INR 2901.62 in Kotak Low Duration Fund-Direct	20.30	-
41,423.47 (31 March 2021 : Nil) Units of INR 49.79 in HDFC Low Duration Fund-Direct - Growth Option	2.06	-
23,10,606.11 (31 March 2021 : Nil) Units of INR 19.16 in HDFC Banking And PSU Debt Fund-Direct	44.28	-

**As at  
31 March 2022**

**As at  
31 March 2021**

**331.86**

Aggregate book value of quoted investments

331.86

Aggregate market value of quoted investments

331.86

Aggregate value of unquoted investments

13.06

8.16

Aggregate value of impairment in value of non-current investments

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Nureca Limited  
 Note to the standalone financial statements for the year ended 31 March 2022  
 (Amount in INR million, unless otherwise stated)

Note 6 - Other financial assets

Non-current

Security deposits

Bank deposits with original maturity of more than twelve months\*

	As at 31 March 2022	As at 31 March 2021
Security deposits	2.64	0.85
Bank deposits with original maturity of more than twelve months*	19.50	-
	<u>22.14</u>	<u>0.85</u>

Current

Interest accrued not due on fixed deposits

Security deposits

Receivable from online marketplace portals\*\*

	As at 31 March 2022	As at 31 March 2021
Interest accrued not due on fixed deposits	28.10	16.18
Security deposits	0.05	5.18
Receivable from online marketplace portals**	39.23	34.71
	<u>67.38</u>	<u>56.07</u>

\*\*Represent receivable in relation to sale made through online marketplace by business partners

Note 7 - Inventories

(At lower of cost and net realizable value)

Stock-in-trade\*

	As at 31 March 2022	As at 31 March 2021
Stock-in-trade*	631.66	367.76
	<u>631.66</u>	<u>367.76</u>

Notes:

\*Includes goods-in-transit

	27.90	46.23
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Note 8 - Trade receivables

From related parties (refer note 33)

From others

Less: expected credit loss allowance

	As at 31 March 2022	As at 31 March 2021
From related parties (refer note 33)	-	0.03
From others	28.68	2.80
Less: expected credit loss allowance	-	(0.56)
	<u>28.68</u>	<u>2.27</u>

Break-up of trade receivables:

Trade receivables considered good-secured

Trade receivables considered good-unsecured

Trade receivables which have significant increase in credit risk

Trade receivables - credit impaired

	As at 31 March 2022	As at 31 March 2021
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	28.68	2.27
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	0.56
	<u>28.68</u>	<u>2.83</u>

Less: expected credit loss allowance

Trade receivables considered good-secured

Trade receivables considered good-unsecured

Trade receivables which have significant increase in credit risk

Trade receivables - credit impaired

Trade receivables net

	As at 31 March 2022	As at 31 March 2021
Less: expected credit loss allowance	-	-
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	-	(0.56)
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Trade receivables net	<u>28.68</u>	<u>2.27</u>

Trade receivables ageing schedule

As at 31 March 2022	Outstanding for following periods from due date of payment							Total gross receivable	Expected credit loss	Net receivable
	Unbilled	Not due < 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years				
Undisputed trade receivable - considered good	-	26.64	1.99	0.00	0.05	-	-	28.68	-	28.68
Undisputed trade receivable - considered doubtful	-	-	-	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - considered doubtful	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>26.64</b>	<b>1.99</b>	<b>0.00</b>	<b>0.05</b>	<b>-</b>	<b>-</b>	<b>28.68</b>	<b>-</b>	<b>28.68</b>

As at 31 March 2021	Outstanding for following periods from due date of payment							Total gross receivable	Expected credit loss	Net receivable
	Unbilled	Not due < 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years				
Undisputed trade receivable - considered good	-	2.04	-	0.14	0.09	-	-	2.27	-	2.27
Undisputed trade receivable - considered doubtful	-	-	-	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - considered doubtful	-	-	-	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	0.27	0.29	-	-	0.56	0.56	-
<b>Total</b>	<b>-</b>	<b>2.04</b>	<b>-</b>	<b>0.41</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>2.83</b>	<b>0.56</b>	<b>2.27</b>

Movement in expected credit loss allowance of trade receivable

Balance at the beginning of the year

Balance written off during the year

Additions during the year

Balance at the end of the year

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	0.56	0.56
Balance written off during the year	(0.56)	-
Additions during the year	-	-
Balance at the end of the year	<u>-</u>	<u>0.56</u>



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Nureca Limited  
 Note to the standalone financial statements for the year ended 31 March 2022  
 (Amount in INR million, unless otherwise stated)  
 Note 9 - Cash and cash equivalents

Balances with bank  
 - In current accounts  
 - Fixed deposits with original maturity upto three months

As at 31 March 2022	As at 31 March 2021
1.58	3.99
80.00	166.00
<b>81.58</b>	<b>169.99</b>

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

Balances with bank  
 - In current accounts  
 - Fixed deposits with original maturity upto three months

As at 31 March 2022	As at 31 March 2021
1.58	3.99
80.00	166.00
<b>81.58</b>	<b>169.99</b>

Note 10 - Other bank balances

Bank deposits maturity due within twelve months  
 Bank deposits with original maturity of more than three months but less than twelve months\*  
 Balance in unclaimed dividend accounts

As at 31 March 2022	As at 31 March 2021
174.80	-
585.41	1,094.50
0.07	-
<b>760.28</b>	<b>1,094.50</b>

\*Includes restricted deposits of Rs. 248.21 (31 March 2021: Rs. 409.00) pledged as security for letter of credit and bank guarantee.

Note 11 - Other current assets

Balances with government authorities  
 Prepaid expenses  
 CSR Asset  
 Advances to employees  
 Advances to suppliers  
 Expenses recoverable from related parties  
 Right to recover returned goods

As at 31 March 2022	As at 31 March 2021
132.08	96.54
1.50	13.08
0.30	-
-	0.02
14.05	5.51
0.64	-
7.11	1.85
<b>155.68</b>	<b>117.00</b>



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**Nureca Limited**  
**Note to the standalone financial statements for the year ended 31 March 2022**  
*(Amount in INR million, unless otherwise stated)*

**Note 12 - Equity share capital**

	As at 31 March 2022	As at 31 March 2021
<b>Authorized</b>		
11,000,000 (31 March 2021: 11,000,000) equity shares of INR 10	110.00	110.00
<b>Issued, subscribed and paid-up</b>		
10,000,175 (31 March 2021: 10,000,175) equity shares of INR 10	100.00	100.00

**a) Rights, preferences and restrictions attached to equity shares**

As per the memorandum of association, the Company's authorized 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 31 March 2022		As at 31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	1,00,00,175	100.00	10,000	0.10
Add: shares issued during the year	-	-	10,00,000	10.00
Less: shares cancelled during the year	-	-	(10,000)	(0.10)
Add: bonus shares issued during the year (refer note d)	-	-	60,00,000	60.00
Add: shares issued on private placement basis (refer note c)	-	-	5,00,000	5.00
Add: fresh issue through initial public offering (refer note f)	-	-	25,00,175	25.00
Balance at the end of the year	1,00,00,175	100.00	1,00,00,175	100.00

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

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Payal Goyal	34,99,979	35.00	34,99,979	35.00
Saurabh Goyal	34,99,979	35.00	34,99,979	35.00
Nexapt Limited	7,50,454	7.50	8,77,812	8.78
	77,50,412	77.50	78,77,770	78.78

**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	31 March 2022 Numbers of shares	31 March 2021 Numbers of shares	31 March 2020 Numbers of shares	31 March 2019 Numbers of shares	31 March 2018 Numbers of shares
Shares allotted as per approved scheme of arrangement	-	10,00,000.00	-	-	-
Bonus shares issued	-	60,00,000.00	-	-	-

Note - As per approval of Honourable 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 had cancelled 10,000 shares and issued 1,000,000 shares for consideration other than cash on 10 June 2020.

**e) Private Placement**

During the year ended 31 March 2021 the Company had made allotment of 500,000 equity shares of Rs. 50 million on 21 October 2020 on private placement basis at an issue price of Rs. 100 per equity share (including premium of Rs. 90 per equity share).

**f) Initial public offer**

During the previous year, the Company has made Initial Public Offering of 2,500,175 equity shares of face value of Rs. 10 each for cash consisting 2,496,675 equity shares to public other than employees at a price of Rs. 400 per equity share (including a share premium of Rs. 390 per equity share) and 3,500 equity shares to the employees at a price of Rs. 380 per equity share (including a share premium of Rs. 370 per equity shares) aggregating to Rs. 1,000.00 million. These equity shares were allotted on 23 February 2021 and the equity share of the Company got listed on the National stock exchange (NSE) and BSE Limited (BSE) on 25 February 2021.

**g) Promoters Shareholdings**

S.No.	Promoter's name	As at 31 March 2022		As at 31 March 2021		
		No. of shares	% of total shares	No. of shares	% of total shares	% change during the year
1	Payal Goyal	3499979	35%	3499979	35%	0%
2	Saurabh Goyal	3499979	35%	3499979	35%	0%
3	Aryan Goyal	7	0%	7	0%	0%
4	Smita Goyal	7	0%	7	0%	0%
5	Nectar Biopharma Private Limited	21	0%	21	0%	0%
<b>Total</b>		<b>6999993</b>	<b>70%</b>	<b>6999993</b>	<b>70%</b>	<b>0%</b>



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Nureca Limited  
 Note to the standalone financial statements for the year ended 31 March 2022  
 (Amount in INR million, unless otherwise stated)  
 Note 13 - Other equity

	As at 31 March 2022	As at 31 March 2021
<b>a Equity share capital pending allotment pursuant to arrangement</b>		
Balance at the beginning of the year	-	10.00
Movement during the year	-	(10.00)
Balance at the end of the year	-	-
<b>b Equity share capital pending cancellation pursuant to arrangement</b>		
Balance at the beginning of the year	-	(0.10)
Movement during the year	-	0.10
Balance at the end of the year	-	-
<b>c Capital reserve</b>		
Balance at the beginning of the year	(12.96)	(12.96)
Movement during the year	-	-
Balance at the end of the year	(12.96)	(12.96)
<b>d Security premium</b>		
Balance at the beginning of the year	987.79	-
Add: Premium on issue of equity shares on private placement basis	-	45.00
Add: Premium on issue of equity shares through initial public offering	-	975.00
Less: Utilization towards share issue expenses	-	(32.21)
Balance at the end of the year	987.79	987.79
<b>e Retained earnings</b>		
Balance at the beginning of the year	558.09	152.66
Add: Profit for the year	453.09	465.34
Add: Other comprehensive (loss)/income for the year (remeasurement of defined benefit plans, net of tax)	1.42	0.09
Less: Bonus Shares issued during the year	-	(60.00)
Less: Final dividend paid for financial year 2020-2021	(20.00)	-
Less: Interim dividend paid for financial year 2021-2022	(30.00)	-
Balance at the end of the year	962.60	558.09
<b>Total</b>	<b>1,937.43</b>	<b>1,532.91</b>

**Nature of reserves**

- 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.
- 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.
- Capital reserve**  
 Capital reserve is on account of the business combination under common control as per the Court approved scheme.
- Security premium**  
 Securities premium account is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.
- Retained earnings**  
 Retained earnings comprises of undistributed earnings after taxes.



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**Nureca Limited**

**Note to the standalone financial statements for the year ended 31 March 2022**

(Amount in INR million, unless otherwise stated)

**Note 14 - Borrowings**

**A. Non-current borrowings**

Notes

As at  
31 March 2022

As at  
31 March 2021

Unsecured:

Deposits from directors, KMPs & their relatives (refer note 33)

(a)

-

7.79

**Total non-current borrowings (including current maturities)**

-

7.79

Notes:

(a) Deposits from directors & their relatives carry interest rate of 8% (31 March 2021: 8%) per annum and are repaid during the year.

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

**B. Current borrowings**

Notes

As at  
31 March 2022

As at  
31 March 2021

Unsecured

Inter corporate deposits

- from related party (refer note 33)

(c)

-

1.46

-

1.46

Notes:

(c) Inter corporate deposits from related parties include deposit of INR Nil (31 March 2021: 1.46) from Trumom Private Limited carrying interest rate of 6% (31 March 2021: 6%) per annum.

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

As at  
31 March 2022

As at  
31 March 2021

Borrowings at the beginning of the year (current and non-current borrowings)

9.25

79.43

Proceeds from non-current borrowings

-

3.90

Repayments of non-current borrowings

(9.25)

(74.08)

**Borrowings at the end of the year (current and non-current borrowings)**

(0.00)

9.25

**Note 15 - Lease Liabilities**

**Non Current**

Lease liability (refer note 4)

43.29

28.87

Less Current maturity of lease liabilities

10.48

3.30

32.81

25.57

**Current**

Current maturity of lease liabilities

10.48

3.30

10.48

3.30

**Note 16 - Provisions**

**A. Non-current**

Provision for employee benefits:

Provision for compensated absences

-

1.20

Provision for gratuity (refer note 32)

4.14

3.31

4.14

4.51

**B. Current**

Provision for employee benefits:

Provision for compensated absences

1.69

0.68

Provision for gratuity (refer note 32)

0.00

0.02

1.69

0.70

5.83

5.21

**Note 17 - Trade payables**

As at  
31 March 2022

As at  
31 March 2021

Total outstanding dues of micro and small enterprises

3.61

5.09

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

43.38

82.53

46.99

87.62

Also, the Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. Refer note 34 for the disclosure in respect of amounts payable to such enterprises as at year end that has been made in the financial statements based on information available with the Company.

# Refer note 34



Trade payables ageing schedule

As at 31 March 2022	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	3.61	-	-	-	-	3.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	20.20	19.80	3.34	0.04	-	-	43.38
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>20.20</b>	<b>23.42</b>	<b>3.34</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>46.99</b>

As at 31 March 2021	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	< 1 years	1 year to 2 years	2 year to 3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	3.22	1.87	-	-	-	5.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	30.67	-	48.50	3.36	-	-	82.53
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>30.67</b>	<b>3.22</b>	<b>50.37</b>	<b>3.36</b>	<b>-</b>	<b>-</b>	<b>87.62</b>

Note 18 - Other financial liabilities

Interest accrued but not due on borrowings (refer note 33)  
 Unpaid Dividend

	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings (refer note 33)	-	0.08
Unpaid Dividend	0.07	-
	<b>0.07</b>	<b>0.08</b>

Note 19 - Other current liabilities

Contract liability  
 Statutory liabilities #  
 Refund liability  
 Payable to employees

	As at 31 March 2022	As at 31 March 2021
Contract liability	9.38	4.40
Statutory liabilities #	7.10	19.91
Refund liability	13.68	18.58
Payable to employees	11.04	7.58
	<b>41.20</b>	<b>50.47</b>

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

Note 20 - Current tax liabilities (net)

Provision for tax (net of advance tax of INR 330.34 (31 March 2021: INR 150.79))

	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of advance tax of INR 330.34 (31 March 2021: INR 150.79))	20.54	44.39
	<b>20.54</b>	<b>44.39</b>



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**Nureca Limited**  
**Note to the standalone financial statements for the year ended 31 March 2022**  
*(Amount in INR million, unless otherwise stated)*

**Note 21 - Revenue from operations**

Sale of products

For the year ended 31 March 2022	For the year ended 31 March 2021
2,555.49	2,133.31
<b>2,555.49</b>	<b>2,133.31</b>

Notes:

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

Contract price

2,715.12

2,266.85

Less: Adjustments for

- Discounts and rebates

145.95

114.96

- Refund liability

13.68

18.58

Revenue recognized

**2,555.49**

**2,133.31**

b. Contract Balances

Receivables, which are included in 'trade receivables'

28.68

36.98

Contract liability, which are included in 'other current liabilities'

(9.38)

(4.40)

Refund liability, which are included in 'other current liabilities'

(13.68)

(18.58)

**5.62**

**14.00**

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

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

India

2,555.49

2,133.31

Outside India

-

-

Total revenue from contracts with customers

**2,555.49**

**2,133.31**

**Note 22 - Other Income**

Interest income

- on bank deposits

52.33

17.55

Exchange gain on foreign exchange fluctuation (net)

15.52

9.62

Income on unwinding of security deposit

0.07

0.02

Rental Income

0.25

0.16

Gain on Mutual Fund

6.51

-

Liability no longer required written back

1.06

-

Miscellaneous income

1.46

0.82

**77.20**

**28.17**

**Note 23 - Purchase of stock-in-trade**

Purchase of stock-in-trade

For the year ended 31 March 2022	For the year ended 31 March 2021
1,595.34	1,199.00
<b>1,595.34</b>	<b>1,199.00</b>

**Note 24 - Changes in inventories of stock in trade**

Opening balance

- Stock-in-trade

367.76

164.26

- Right to recover returned goods

1.85

0.05

Closing balance

- Stock-in-trade

(631.66)

(367.76)

- Right to recover returned goods

(7.11)

(1.85)

**(269.16)**

**(205.30)**

**Note 25 - Employee benefits expense**

Salaries and wages

93.74

44.11

Contribution to provident and other funds (refer note 32)

2.92

0.98

Staff welfare expenses

1.65

0.74

**98.31**

**45.83**

**Note 26 - Finance costs**

Interest expense on financial liabilities measured at amortised cost

- on borrowings

0.21

6.55

- on lease liabilities

3.09

1.42

Interest expense on income tax

1.00

6.75

Other borrowing cost

3.01

1.25

**7.31**

**15.97**



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**Nureca Limited****Note to the standalone financial statements for the year ended 31 March 2022***(Amount in INR million, unless otherwise stated)***Note 27 - Depreciation and amortization expense**

Depreciation on property, plant and equipment  
Amortization  
Depreciation on right-of-use assets

For the year ended 31 March 2022	For the year ended 31 March 2021
4.30	1.13
0.82	-
9.20	2.96
<b>14.32</b>	<b>4.09</b>

**Note 28 - Other expenses**

Advertisement  
Insurance  
Communication expenses  
Legal and professional fee (refer note (a) below)  
Rent  
Travel and conveyance  
Shifting and handling expenses  
Security services  
Bad Debts expense  
Commission and incentive  
Packing expenses  
Repairs and maintenance  
Rates and taxes  
Power and fuel  
Freight charges  
Donation  
CSR expenditure (refer note (b) below)  
Business support service (refer note 33G)  
Loss on derecognition of financial assets  
Miscellaneous expenses

For the year ended 31 March 2022	For the year ended 31 March 2021
117.38	95.84
2.20	0.72
1.67	0.38
47.56	6.89
6.31	2.16
11.51	0.76
26.99	16.42
2.65	1.15
0.62	-
175.62	119.88
13.51	14.18
3.03	1.65
3.85	2.04
1.57	0.05
101.68	61.36
14.80	-
4.75	0.76
15.13	139.61
7.16	10.93
15.28	2.18
<b>573.27</b>	<b>476.96</b>



Nureca Limited  
 Note to the standalone financial statements for the year ended 31 March 2022  
 (Amount in INR million, unless otherwise stated)

(a) Payment to auditors (excluding goods and services tax)

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
- Statutory audit	1.38	1.10
- Tax audit	0.35	-
- Limited review of quarterly results	0.90	-
- Reimbursement of expenses	0.12	0.07
Amount debited to Standalone Statement of Profit and Loss	2.75	1.17
- Others services in connection with initial public offering	-	5.26
- Others services	0.21	-
Total	2.96	6.43

(b) Details of CSR expenditure:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities -		
1) Gross amount required to be spent by the Company during the year	4.73	0.58
2) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset	-	-
(ii) On purpose other than (i) above	5.05	0.76
3) Excess/ (Shortfall) at the end of the year	0.32	0.18
4) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately		
5) Reason for shortfall		
6) Nature of CSR Activities		
i) Preventive healthcare	5.05	0.76

Note 29 - Tax expense

	For the year ended 31 March 2022	For the year ended 31 March 2021
a. Amount recognized in Consolidated Statement of Profit and Loss:		
Current tax:		
- Current year	155.70	164.69
Deferred tax:		
- Attributable to origination and reversal of temporary differences	4.51	(5.10)
Total tax expense recognized	160.21	159.58

b. Reconciliation of effective tax rate		
Profit before tax	613.30	624.93
Tax at India's statutory tax rate of 25.17%	154.37	157.30
Tax effect of non-deductible expenses	5.17	2.29
Other	0.67	-
Income tax expense recognized in the statement of profit and loss	160.21	159.59

c. Income tax expense recognized in other comprehensive income		
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	(0.48)	(0.03)
Net change in fair value of equity instruments through other comprehensive income	-	-
Total income tax recognized in other comprehensive income	(0.48)	(0.03)
Bifurcation of the income tax recognized in other comprehensive income into:		
Items that will not be reclassified to profit or loss	(0.48)	(0.03)
	(0.48)	(0.03)

d. Deferred tax balances reflected in the Balance Sheet:

	For the year ended 31 March 2022	As at 31 March 2021
Deferred tax asset	3.80	5.66
Deferred tax liability	(2.79)	(0.14)
Deferred tax asset (net)	1.01	5.52

e. Movement in deferred tax balances

	As at 1 April 2021	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March 2022
Deferred tax asset				
Provision for employee benefits	1.31	0.31	(0.48)	1.62
Expected credit loss allowance on trade receivables	0.14	(0.14)	-	-
Refund liability	4.21	(2.56)	-	1.65
Lease liabilities	-	0.53	-	0.53
Deferred tax asset (A)	5.66	(1.86)	(0.48)	3.80
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(0.03)	(1.12)	-	(1.15)
Mutual Fund Gain	-	(1.64)	-	(1.64)
Lease liabilities	(0.11)	0.11	-	-
Deferred tax liability (B)	(0.14)	(2.65)	-	(2.79)
Deferred tax asset (net) (A+B)	5.52	(4.51)	(0.48)	1.01

	As at 1 April 2020	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March 2021
Deferred tax asset				
Provision for employee benefits	0.28	1.06	(0.03)	1.31
Expected credit loss allowance on trade receivables	0.14	(0.00)	-	0.14
Refund liability	0.01	4.20	-	4.21
Lease liabilities	0.06	(0.06)	-	-
Deferred tax asset (A)	0.49	5.20	(0.03)	5.66
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(0.07)	0.04	-	(0.03)
Lease liabilities	-	(0.11)	-	(0.11)
Deferred tax liability (B)	(0.07)	(0.07)	-	(0.14)
Deferred tax asset (net) (A+B)	0.42	5.13	(0.03)	5.52



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**Nureca Limited**  
**Note to the standalone financial statements for the year ended 31 March 2022**  
*(Amount in INR million, unless otherwise stated)*

**Note 30 - Earnings per share**

	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Profit for basic/diluted earning per share of face value of INR 10 each		
Profit for the year	453.09	465.34
ii. Calculation of Weighted average number of equity shares for (basic and diluted)		
(a) Number of shares at the beginning of the year *	1,00,00,175	70,00,000
(b) Add: effect of issue of equity share on private placement basis	-	2,21,918
(c) Add: effect of issue of equity share in initial public offering	-	2,53,442
Weighted average number of equity shares outstanding during the year	1,00,00,175	74,75,360
Basic and diluted earnings per share (face value of INR 10 each)	45.31	62.25

\* The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for issue of bonus shares during the previous year 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 31 - 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

The Company is engaged in home healthcare and wellness products in the domestic market only which is considered to be a single business segment / geographical segment.

Considering the nature of Company's business and operations, there are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Ind AS 108 'Operating Segments' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

**a. Information about products and services**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from branded healthcare products	2,555.49	2,133.31
<b>Total</b>	<b>2,555.49</b>	<b>2,133.31</b>

**b. Information about geographical areas**

The geographical information analyses the Company's revenues by the Company'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 Company's consolidated revenues and receivables by geographical market, regardless of where the goods were produced.

	For the year ended 31 March 2022	For the year ended 31 March 2021
i. Revenue from customers		
India	2,555.49	2,133.31
Outside India	-	-
	<b>2,555.49</b>	<b>2,133.31</b>

	As at 31 March 2022	As at 31 March 2021
ii. Trade receivables		
India	28.68	2.27
Outside India	-	-
	<b>28.68</b>	<b>2.27</b>

**iii) Non-current assets**

The Company 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 year ended 31 March 2022, 1 customer of the Company constituted more than 10% of the total revenue of Company amounting to INR 578.06, 31 March 2021: 2 customers of the Company constituted more than 10% of the total revenue of Company amounting to INR 964.70.

**Note 32 - Employee benefits**

**a. Defined contribution plans**


The Company makes contributions, determined as a specified percentage of employee salaries, towards Provident Fund and Employee State Insurance Scheme ('ESI') which are collectively defined as defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund and ESI are as follows:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Contribution to provident and other funds (refer note 25)	2.92	0.98

**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.

  
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NURECA LIMITED

**Nureca Limited**

Note to the standalone financial statements for the year ended 31 March 2022

(Amount in INR million, unless otherwise stated)

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 recognizes 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 recognized 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 Company 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.

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

	As at 31 March 2022	As at 31 March 2021
<b>i. Reconciliation of present value of defined benefit obligation</b>		
Balance at the beginning of the year	3.33	0.70
Interest cost	0.23	0.21
Current service cost	2.39	1.34
Past service cost	-	1.27
Benefits paid	(0.06)	(0.07)
Actuarial loss recognized in other comprehensive income		
- from changes in financial assumptions	(0.16)	-
- from changes in demographic assumptions	-	-
- from experience adjustments	(1.59)	(0.12)
Balance at the end of the year	4.14	3.33

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>ii. Amount recognized in statement of profit and loss</b>		
Interest cost	0.23	0.21
Current service cost	2.39	1.34
Past service cost	-	1.27
	2.62	2.82

<b>iii. Remeasurements recognized in other comprehensive income</b>		
Actuarial loss for the year on defined benefit obligation	(1.90)	(0.12)
	(1.90)	(0.12)

**iv. Actuarial assumptions**

**(i) Economic assumptions**

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 31 March 2022	As at 31 March 2021
Discount rate (per annum)	7.3%	7.0%
Future salary growth rate (per annum)	15%	15%
Expected average remaining working lives (years)	26.46	28.46

**(ii) Demographic assumptions**

	As at 31 March 2022	As at 31 March 2021
Retirement age (years)	58	58
Mortality rate	100% of IALM	100% of IALM
	2012-14	2012-14
Attrition rate (per annum)	10%	10%

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

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Increase</b>		
Discount rate (1% movement)	(0.48)	(0.38)
Future salary growth rate (1% movement)	0.42	0.32
<b>Decrease</b>		
Discount rate (1% movement)	0.58	0.46
Future salary growth rate (1% movement)	(0.38)	(0.29)

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 recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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**Nureca Limited**

**Note to the standalone financial statements for the year ended 31 March 2022**

*(Amount in INR million, unless otherwise stated)*

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

	As at 31 March 2022	As at 31 March 2021
Within 1 year (next annual reporting period)	-	0.01
Between 1 to 5 years	0.56	0.61
Beyond 5 years	12.19	9.02
<b>Total expected payments</b>	<b>12.75</b>	<b>9.64</b>

**vii. Weighted average duration of the defined benefit plan:**

	As at 31 March 2022	As at 31 March 2021
Weighted average duration of the defined benefit plan (in years)	15.00	16.03



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Note 33 - Related parties

A. List of related parties and nature of related party relationship, where control exists:

Description of Relationship	Name of the Party
Subsidiaries	Nureca INC
	Nureca Healthcare Private Limited
	Nureca Technologies Private Limited

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

Description of Relationship	Name of the Party
Key management personnel ('KMP')	Mr. Saurabh Goyal - Managing Director Mr. Aryan Goyal - Chief Executive Officer Ms. Sakshi Mittal - Chief Financial Officer (w.e.f. 21 October 2020 till 15 June 2021)* Mr. Gurbikram Singh - Company Secretary (upto 10th Nov 21) Mr. Nishant Garg - Chief Financial Officer (w.e.f. 16 June 2021) Ms. Chetna Anand - Company Secretary (w.e.f. 11 Nov 2021) Mr. Santosh Kumar Srivastava - Director Compliance (w.e.f. 16 June 2021 and upto 29 Sep 2021) Mr. Sushil Kumar Bhardwaj - Director Compliance (w.e.f. 12 Feb 2022 and upto 28 Feb 2022)
Relatives of KMPs	Mrs. Payal Goyal Mrs. Raman Goyal (refer note 33F) Mrs. Smrita Goyal
Entities in which KMP and/or their relatives have significant influence	Trumom Private Limited Mirasan Private Limited Nectar Life Sciences Limited (refer note 33F) Nectar Biopharma Private Limited (refer note 33G)
Non Executive Directors	Mr. Vijay Kumar Sharma (w.e.f. 21 October 2020) Mrs. Smrita Goyal (upto 26 March 2021) Ms. Ruchita Agarwal (w.e.f. 29 October 2020) Ms. Charu Singh (w.e.f. 21 October 2020) Mr. Rajinder Sharma (upto 30 June 2021) Mr. Nitin Ravindra (w.e.f. 29 March 2021) Mr. Vikram Chaudhary (w.e.f. 29 March 2021)

C. The following table provides the total amount of transactions that have been entered into with related parties for the relevant years

Nature of transaction	Name of related party	For the year ended 31 March 2022	For the year ended 31 March 2021
1 Revenue from operations (net of returns)	Nectar Life Sciences Limited	-	(5.67)
	Nureca Technologies Private Limited	0.06	1.13
2 Purchase of stock-in-trade	Nectar Life Sciences Limited	-	237.71
	Nureca Technologies Private Limited	-	1.18
3 Reimbursement of expense paid by the Company	Mirasan Private Limited	-	0.02
	Nureca Healthcare Private Limited	-	0.02
	Nureca Technologies Private Limited	2.63	5.57
	Nectar Biopharma Private Limited	7.06	-
	Nureca INC	0.61	-
4 Expenses Incurred by Entity on Behalf of Company	Nectar Biopharma Private Limited	0.91	-
5 Borrowings taken	Mr. Saurabh Goyal	-	3.90
	Trumom Private Limited	-	1.46
6 Borrowings repaid	Mrs. Payal Goyal	3.90	23.78
	Mr. Saurabh Goyal	3.90	17.21
	Mrs. Raman Goyal	-	43.18
	Mrs. Smrita Goyal	-	2.68
	Trumom Private Limited	1.46	-
7 Interest accrued during the year	Mrs. Payal Goyal	0.09	0.63
	Mr. Saurabh Goyal	0.09	0.18
	Mrs. Raman Goyal	-	1.83
	Mrs. Smrita Goyal	-	0.03
	Trumom Private Limited	0.00	0.08
8 Managerial remuneration *	Mr. Saurabh Goyal	15.26	8.22



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C. The following table provides the total amount of transactions that have been entered into with related parties for the relevant years (continued)

Nature of transaction	Name of related party	For the year ended 31 March 2022	For the year ended 31 March 2021
9 Salary to KMPs and their relatives *	Mrs. Payal Goyal	11.40	5.92
	Ms. Smita Goyal	-	0.44
	Mr. Aryan Goyal	11.43	10.23
	Mr. Gurvikram Singh	0.26	0.19
	Ms. Sakshi Mittal	0.16	0.43
	Mr. Nishant Garg	2.06	-
	Ms. Chetna Anand	0.50	-
	Mr. Santosh Kumar Srivastava	0.12	-
	Mr. Sushil Kumar Bhardwaj	0.03	-
10 Sitting Fee	Mr. Vijay Kumar Sharma	0.50	0.30
	Mrs. Smita Goyal	0.02	0.02
	Ms. Ruchita Agarwal	0.06	0.03
	Ms. Charu Singh	0.07	0.03
	Mr. Rajinder Sharma	0.02	0.02
	Mr. Nitin Bidikar	0.04	-
	Mr. Vikram Chaudhery	0.03	-
11 Commission and incentive	Nectar Biopharma Private Limited	2.62	29.53
12 Business support services	Nectar Biopharma Private Limited	11.47	139.61
13 Job Work Charges	Nureca Technologies Private Limited	1.32	-
14 Rent Income	Nureca Healthcare Private Limited	0.01	-
	Nureca Technologies Private Limited	0.24	-
15 Rent Expenses	Mrs. Raman Goyal	0.19	-
16 Purchase of Fixed Asset	Nectar Life Sciences Limited	10.81	-
	Nectar Biopharma Private Limited	2.50	-
17 Shares cancelled during the year	Nectar Biopharma Private Limited	-	(0.10)
18 Shares allotted during the year	Mr. Saurabh Goyal	-	35.00
	Mrs. Payal Goyal	-	35.00
19 Investments (in equity share @ 10/- per share)	Nureca Healthcare Private Limited	-	0.10
	Nureca Technologies Private Limited	4.90	7.60
* Break-up of compensation of key managerial personnel of the Company			
Short-term employee benefits		41.21	25.43
Post-employment benefits		1.91	1.49
<b>Total compensation paid to key management personnel</b>		<b>43.12</b>	<b>26.92</b>

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

D. Balances outstanding at year end

Nature of transaction	Name of related party	As at 31 March 2022	As at 31 March 2021
1 Expenses recoverable	Nureca INC	0.64	-
	Nectar Biopharma Private Limited	0.08	-
2 Payable to employees	Mr. Saurabh Goyal	0.68	0.42
	Mr. Aryan Goyal	0.00	4.83
	Mrs. Payal Goyal	0.58	-
	Mr. Gurvikram Singh	-	0.03
	Ms. Sakshi Mittal	-	0.05
	Mr. Nishant Garg	0.18	-
	Ms. Chetna Anand	0.07	-
3 Borrowings	Ms. Payal Goyal	-	3.90
	Mr. Saurabh Goyal	-	3.90
	Trumom Private Limited	-	1.46
4 Interest accrued but not due	Trumom Private Limited	-	0.08
5 Trade payables	Nectar Biopharma Private Limited	1.55	13.16 **
6 Trade receivables	Nureca INC	-	0.03
	Nureca Technologies Private Limited	-	0.10



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# Nureca Limited

Note to the standalone financial statements for the year ended 31 March 2022  
(Amount in INR million, unless otherwise stated)

## D. Balances outstanding at year end (Continue)

Nature of transaction	Name of related party	As at	As at
		31 March 2022	31 March 2021
7 Investments	Nureca INC	0.46	0.46
	Nureca Healthcare Private Limited	0.10	0.10
	Nureca Technologies Private Limited	12.50	7.60

\*\* During the year ended 31 March 2022, purchase of stock-in-trade from Nectar Life Sciences Limited of INR Nil (31 March 2021: INR 234.77) were made through the Company's agent Nectar Biopharma Private Limited and revenue from operation (net of return) from Nectar Life Sciences Limited of INR Nil (31 March 2021: INR (5.67)) were made through the Company's Agent Nectar Biopharma Private Limited. Accordingly, the balance outstanding towards Nectar Biopharma Private Limited as at 31 March 2022 includes INR Nil (31 March 2021: INR Nil) further payable towards Nectar Life Sciences Limited for the aforesaid purchase of stock-in-trade.

## E. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business. Outstanding balances at the year-end are unsecured and interest free except borrowings and settlement occurs in cash.

## F. 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 dissociated 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. The Company has been legally advised that transactions of the Company with Mr. Sanjiv Goyal or Mrs. Raman Goyal or entities controlled by them are required to be considered for the purposes of disclosures under Ind AS 24 and also under provision of the Companies Act, 2013 and SEBI LODR, as applicable.

## G. 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 fulfil 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 recognized 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.

## II. 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 33F 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.

## Note 34 - Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

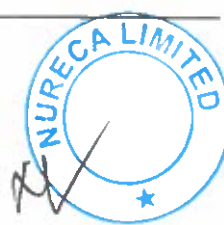
The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the Standalone Financial Statements based on information available with the Company as under:

Particulars	As at	As at
	31 March 2022	31 March 2021
(i) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the each year		
- Principal	3.61	5.06
- Interest	0.09	0.03
(ii) 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 the each year	-	-
(iii) 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 the each year) but without adding the interest specified under the MSMED act 2006	0.15	0.06
(iv) The amount of interest accrued and remaining unpaid at the end of each year	0.15	0.06
(v) 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, Small and Medium Enterprises Development Act, 2006	0.15	0.06









**Note 35 - 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 Company, other than those with carrying amounts that are reasonable approximations of fair values:

	Note	Level of hierarchy	As at 31 March 2022		As at 31 March 2021	
			Amortised Cost	Fair value through P&L	Amortised Cost	Fair value through P&L
<b>Financial assets</b>						
<b>Investments</b>						
-Investments in subsidiaries	a	1	13.06	-	8.16	-
-Investments in mutual fund	a		-	331.86	-	-
Trade receivables	c		28.68	-	2.27	-
Cash and cash equivalents	c		81.58	-	169.99	-
Other bank balances	c		760.28	-	1,094.50	-
Other financial assets	c		89.52	-	56.92	-
			<b>973.12</b>	<b>331.86</b>	<b>1,331.84</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings	b		-	-	9.25	-
Lease Liability	b		43.29	-	28.87	-
Trade payables	c		46.99	-	87.62	-
Other financial liabilities	c		0.07	-	0.08	-
			<b>90.35</b>	<b>-</b>	<b>125.82</b>	<b>-</b>

**Notes:**

- The company has elected to measure the investment to subsidiaries at cost. For quoted investment market value is taken as fair value.
- 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 years presented

**Note 36 - Financial risk management**

**Risk management framework**

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company'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 Company's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are summarized 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 optimizing 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 Company does not expose to the risk of changes in market interest rates as Company'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 Company'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 Company undertakes transactions denominated in foreign currencies and consequently, exposes to exchange rate fluctuations. The Company 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 Company.

**Exposure to currency risk**

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

Currency					
	As at 31 March 2022		As at 31 March 2021		
	Amount in Foreign Currency	Amount in Indian Currency	Amount in Foreign Currency	Amount in Indian Currency	
Trade payables	USD	0.16	11.73	0.35	25.50

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

**Sensitivity analysis:**

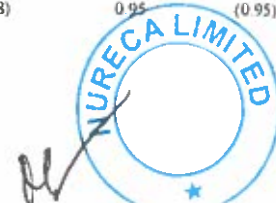
The following table details the Company's sensitivity to a 5% increase and decrease in the INR against relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the 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 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 31 March 2022				
USD 5% movement	0.59	(0.59)	0.44	(0.44)
As at 31 March 2021				
USD 5% movement	1.28	(1.28)	0.95	(0.95)



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# Nureca Limited

Note to the standalone financial statements for the year ended 31 March 2022

(Amount in INR million, unless otherwise stated)

## (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 Company 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 Company'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 Company 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 recognized in the Statement of Profit and Loss within other expenses.

The ageing of trade receivables at the reporting date was:

	As at 31 March 2022	As at 31 March 2021
Not due	26.64	2.04
Less than 90 days	-	-
90-180 days	1.99	-
More than 180 days	0.05	0.23
<b>Total</b>	<b>28.68</b>	<b>2.27</b>

### (b) Cash and cash equivalents and deposits with banks

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

### (c) Security deposits

The Company furnished security deposits to its lessor for obtaining the premises on lease and margin money deposits to banks. The Company 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 Company 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 Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans from banks at an optimized cost.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

As at 31 March 2022	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Other financial liabilities (excluding lease liabilities)	0.07	-	0.07	-	-	0.07
Trade payables	46.99	-	46.95	0.04	-	46.99
Lease liabilities	43.29	-	13.74	27.21	17.54	58.49
<b>Total</b>	<b>90.35</b>	<b>-</b>	<b>60.76</b>	<b>27.25</b>	<b>17.54</b>	<b>105.55</b>
As at 31 March 2021	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings (excluding lease liabilities)	9.25	-	-	10.92	-	10.92
Other financial liabilities (excluding lease liabilities)	0.08	-	0.08	-	-	0.08
Trade payables	87.62	-	84.26	3.36	-	87.62
Lease liabilities	28.87	-	5.93	10.02	22.98	38.93
<b>Total</b>	<b>125.82</b>	<b>-</b>	<b>90.27</b>	<b>24.30</b>	<b>22.98</b>	<b>137.55</b>

## (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 Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company'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 Company 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 Company as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company, including the Company'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 Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered with no consequential impacts on its assessment related to going concern. The impact of Covid - 19 on the Company's financial statement may differ from that estimated as at the date of approval of these financial statements.

## Note 37- Capital risk management

### (i) Risk Management

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

The Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, trade payables and borrowings, less cash and cash equivalents.

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables (Refer note 17)	46.99	87.62
Borrowings (Refer note 14)	43.29	38.12
Less: cash and cash equivalents (Refer note 9)	81.58	169.99
<b>Net debt</b>	<b>8.70</b>	<b>(44.25)</b>
Equity share capital (Refer note 12)	100.00	100.00
Other equity (Refer note 13)	1,937.43	1,532.92
<b>Total capital</b>	<b>2,037.43</b>	<b>1,632.92</b>
<b>Capital and net debt</b>	<b>2,046.13</b>	<b>1,588.67</b>
<b>Gearing ratio</b>	<b>0.43%</b>	<b>-2.79%</b>

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



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**Nureca Limited**

Note to the standalone financial statements for the year ended 31 March 2022

(Amount in INR million, unless otherwise stated)

**Note 37- Capital risk management (Continue)****(ii) Dividend not recognised at the end of the year**

Subsequent to the year ended 31 March 2021, the Board of Directors had recommended payment of final dividend of INR 2 per share for FY 2020-2021 (20 percent of the face value of the equity share of Rs. 10 each) which had been approved by the shareholders in the annual general meeting held on 29 September 2021.

The Company had paid the interim dividend of INR 3 per share (30 percent of the face value of the equity share of Rs. 10 each) during the financial year ended 31 March 2022.

The final dividend paid by the Company during the year in respect of the dividend declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Companies Act, 2013.

**Note 38 - Share issue expenses**

During the financial year 2020-2021 the Company had made Initial Public Offering of 2,500,175 equity shares of face value of Rs. 10 each for cash consisting 2,496,675 equity shares to public other than employees at a price of Rs. 400 per equity share (including a share premium of Rs. 390 per equity share) and 3,500 equity shares to the employees at a price of Rs. 380 per equity share (including a share premium of Rs. 370 per equity shares) aggregating to Rs. 1000.00 million.

The proceeds from IPO were Rs. 967.79 million (Gross of issue related expenses Rs. 1000.00 million).

The equity shares of the company were listed on National Stock Exchange of India Limited (NSE) via ID NURECA and BSE Limited (BSE) via ID 543264 on 25 February 2021.

Details of utilization of net IPO proceeds are as follows:

Particulars	Planned proceeds as per Prospectus	Actual proceeds	Utilization upto 31 March 2021	Unutilized amount as on 31 March 2021	Utilization upto 31 March 2022	Unutilized amount as on 31 March 2022
Funding incremental working capital requirements	750.00	750.00	190.53	559.47	750.00	-
General Corporate purpose	210.79	217.79	-	217.79	217.79	-
<b>Total proceeds</b>	<b>960.79</b>	<b>967.79</b>	<b>190.53</b>	<b>777.26</b>	<b>967.79</b>	<b>-</b>

The Company has incurred Rs. 32.21 millions (excluding GST) of IPO expenses in the previous year. These expenses have been adjusted towards the securities premium account. The difference in planned proceeds as per prospectus and actual proceeds is due to saving in the planned IPO expenses amounting to Rs. 7.0 million.




Nureca Limited  
 Note to the standalone financial statements for the year ended 31 March 2022  
 (Amount in INR million, unless otherwise stated)

Note 39- Ratios

Particulars	Numerator	Denominator	31-Mar-22	31-Mar-21	Change	Reason for variance >25%
Current ratio	Total current assets	Total current liabilities	17.00	9.61	76.9%	Current ratio has increased for year ended 31 March 2022, since business scale has increased and consequently current asset base has increased.
Debt-Equity ratio	Total debt	Total equity	0.02	0.02	-9.0%	
Debt service coverage ratio	Earning available for debt service	Debt service	18.20	4.52	302.8%	Debt service coverage ratio has increased for the year ended 31 March 2022, due to lower finance cost.
Return on equity ratio	Net profit after tax	Average shareholder equity	25%	52%	-52.7%	Return on equity is lower for year ended 31 March 2022, since profit has been fairly consistent for both years whereas there has been increase in average shareholding equity in the company as compared to previous year's average shareholding equity
Inventory turnover ratio	Cost of goods sold	Average inventory	2.65	3.74	-29.0%	Inventory turnover ratio has decreased because of increase in average inventory level in comparison to cost of goods sold
Trade receivables turnover ratio	Net credit sale	Average accounts receivable	60.86	17.14	255.2%	Trade receivables turnover ratio has increased due to increase in sales and better collection efficiency
Trade payables turnover ratio	Net credit purchase	Average trade payable	23.70	16.41	44.4%	Trade payables turnover ratio has increased due to increase in purchase during the year
Net capital turnover ratio	Net sale	Average working capital	1.44	2.30	-37.6%	Net capital turnover ratio is lower for the year ended 31 March 2022, because average working capital in the year ended 31 March 2021 is lower.
Net profit ratio	Net profit after tax	Net sale	18%	22%	-18.7%	
Return on capital employed	Earning before interest and taxes	Net worth+Borrowing+ Lease liability	30%	38%	-22.2%	
Return on investment	Gain on Mutual Fund	Average investment	4%	NA	NA	There were no investment as on 31 March 2021 and 31 March 2020

**Note 40-** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Nureca Limited  
 Note to the standalone financial statements for the year ended 31 March 2022  
 (Amount in INR million, unless otherwise stated)

Note 41: The following figures for the year ended 31 March 2021 have been regrouped / reclassified to give effect of the amendments to Schedule III to the Companies Act, 2013

Particulars	Amount in millions	Presented as, in financial of the year ended 31 March 2021	Reclassified as, in financial of the year ended 31 March 2022
Security deposits (non current portion)			
Security deposits (current portion)			
Receivable from online marketplace business portals			
Lease liability (non current portion)			
Lease liability (current portion)			

Note 42: Subsequent events :

- The Board of Directors have on 28 May 2022 passed a resolution for appointment of Mr. Aryan Goyal as a Whole-time Director of the Company designated as Whole-time Director & CEO.
- On 20 May 2022, the Company has invested INR 17.5 million on right issue basis in its wholly owned subsidiary i.e. Nureca Technologies Private Limited.

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

*[Signature]*  
 Garav Mittal  
 Partner  
 Membership Number : 507857

For and on behalf of Board of Directors of Nureca Limited

*[Signature]*  
 Saurabh Goyal  
 Managing Director  
 DIN : 00136037  
 Place: Chandigarh  
 Date: 28.05.2022

*[Signature]*  
 Nishant Garg  
 Chief Financial Officer  
 Place: Chandigarh  
 Date: 28.05.2022

*[Signature]*  
 Aryan Goyal  
 Whole-time Director & CEO  
 DIN : 00002869  
 Place: U.S.A  
 Date: 28 May 2022

*[Signature]*  
 Chetna Anand  
 Company Secretary  
 Membership No.: 0031099  
 Place: Chandigarh  
 Date: 28.05.2022

*[Signature]*

Place: Chandigarh  
 Date: 28.05.2022