B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Nureca Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the standalone financial statements of Nureca Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue recognition – fraud risk **Refer to note 2.3.7 and 21 to the standalone financial statements** Revenue from the sale of goods is recognised when control in goods is transferred to the customer and is measured net of rebates, discounts and returns. There is presumed fraud risk as per Standards on Auditing with regard to revenue recognition. We focussed on this area since there is a risk that revenue may be overstated because of fraud, resulting from the pressure, the Board of Directors may feel to achieve performance targets. Also, revenue is a key performance indicator for the Company which makes it susceptible to misstatement because the timing of revenue recognition requires exercise of judgement. In view of the above, we have identified risk of fraud in revenue recognition as a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient audit evidence: ▪ We assessed the appropriateness of the accounting policies in respect of revenue recognition with reference to the applicable accounting standards. ▪ We evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such controls for a sample of transactions selected using random sampling. ▪ We performed testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year. For such samples, verified the underlying documents, including invoices, purchase orders and customer acceptances, to assess whether revenue is recognised in the appropriate period in which control is transferred. ▪ We performed analytical procedures on revenue recognised during the year to identify any unusual variances. ▪ We tested, on a sample basis (selected based on specified risk-based criteria), specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate reporting period. ▪ We tested sample manual journal entries for revenue, selected based on specified risk-based criteria to identify unusual items. ▪ We assessed the adequacy of the disclosures made in accordance with the relevant accounting standard.

4. Other Information

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

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

II. (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2021 and 02 April 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN No.: 21507857AAAABA2108

Place: Chandigarh
Date: 16 June 2021

Annexure A referred to in paragraph 7(1) of the Independent Auditors' Report to the Members of Nureca Limited for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no discrepancies were noticed on such verification.

(c) The Company does not have any immovable property. Accordingly, paragraph 3(i)(c) of the order is not applicable.

(ii) According to the information and explanation given to us, the inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account. For inventory lying with third parties at year-end, the stock listing has been obtained from online portal of third parties.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies covered in the register maintained under Section 189 of the Act. Further, there are no limited liability partnerships, firms and other parties covered in the register required under section 189 of the Act.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans and investments made by the Company, the provisions of section 185 and 186 of the Act have been complied with. As informed to us, the Company has not provided any guarantee or security as specified under section 185 or 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the deposits taken by the Company are not covered under the provision of section 73 to 76 or other provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Duty of Customs, Cess and other material statutory dues have been regularly deposited by the Company with the appropriate authorities. Undisputed dues relating to Goods and Services tax, Provident fund and Income Tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases, which were deposited prior to year end.

According to the information and explanations given to us, no undisputed amounts Provident fund, Income Tax, Goods and Services tax, Employees' State Insurance, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they become payable except as follow:

INR in million

Name of the Statute	Nature of Dues	Amount *	Period to which amounts relates	Due Date	Date of Payment	Remarks (if any)
Income Tax Act. 1961	Income Tax	5.37	August 2020	07 September 2020	30 April 2021	-

*including interest as applicable

The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

(b) According to information and explanation given to us, there are no dues of Sales tax, Value added tax, Income Tax, Service tax, Duty of Excise, Duty of custom and Goods and Service Tax which have not been deposits with the appropriate authorities on account of any dispute.

(viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of borrowing to the bank during the year. The Company did not have any loans or borrowings from Financial Institution, Government and did not issue any debentures during the year nor has any outstanding debentures as at the balance sheet date.

(ix) During the year, the Company has raised Rs. 967.79 million by way of initial public offering (IPO) of fresh equity shares. According to the information and explanations given to us and based on our examination of the records of the Company, Rs. 190.53 million have been utilized for the purpose for which it was raised and Rs. 777.26 million of proceeds of the IPO remained unutilised till year end. As further informed to us, the Company has not raised any money by way of term loan or debt instruments.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the provision of section 197 read with Schedule V of the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us, in respect of private placement of shares made during the year, the Company has duly complied with the requirements of section 42 of the Act. The proceeds from issue of equity shares have been used for the purpose for which the funds were raised. The Company has neither made any preferential allotment of shares nor issued any fully or partly debenture during the year.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN No.: 21507857AAAABA2108

Place: Chandigarh
Date: 16 June 2021

Annexure B to the Independent Auditors' report on the standalone financial statements of Nureca Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 7 II (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Nureca Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Gaurav Mahajan
Partner
Membership No. 507857
UDIN No.: 21507857AAAABA2108

Place: Chandigarh
Date: 16 June 2021

Nureca Limited
Standalone balance sheet as at 31 March 2021
(Amount in INR million, unless otherwise stated)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Assets				
(1) Non-current assets				
(a) Property, plant and equipment	3a	4.38	4.55	1.21
(b) Right-of-use assets	4	29.29	6.09	4.30
(c) Intangible assets under development	3b	3.02	-	-
(d) Financial assets				
- Investments	5	8.16	0.46	0.46
- Loans	6	0.85	0.25	0.02
(e) Deferred tax assets (net)	29	5.52	0.42	0.07
Total non-current assets		**51.22**	**11.77**	**6.06**
(2) Current assets				
(a) Inventories	7	367.76	164.26	135.49
(b) Financial assets				
-Trade receivables	8	36.98	128.97	88.59
- Cash and cash equivalents	9	169.99	0.39	0.84
- Other bank balances	10	1,094.50	-	-
- Loans	6	5.18	-	-
- Other financial assets	11	16.18	19.88	-
(c) Other current assets	12	117.00	13.34	4.47
Total current assets		**1,807.59**	**326.84**	**229.39**
Total assets		**1,858.81**	**338.61**	**235.45**
Equity and liabilities				
(1) Equity				
(a) Equity share capital	13	100.00	0.10	0.10
(b) Other equity	14	1,532.92	149.60	85.55
Total equity		**1,632.92**	**149.70**	**85.65**
Liabilities				
(2) Non-current liabilities				
(a) Financial liabilities				
- Borrowings	15	33.36	93.45	2.60
(b) Provisions	16	4.51	1.01	0.29
Total non-current liabilities		**37.87**	**94.46**	**2.89**
(3) Current liabilities				
(a) Financial liabilities				
- Borrowings	15	1.46	-	-
-Trade payables	17			
- total outstanding dues of micro and small enterprises		5.09	-	-
- total outstanding dues of creditors other than micro and small enterprises		82.53	58.51	97.60
- Other financial liabilities	18	3.38	4.13	48.19
(b) Other current liabilities	19	50.47	8.12	1.03
(c) Provisions	16	0.70	0.08	0.03
(d) Current tax liabilities (net)	20	44.39	23.61	0.06
Total current liabilities		**188.02**	**94.45**	**146.91**
Total liabilities		**225.89**	**188.91**	**149.80**
Total equity and liabilities		**1,858.81**	**338.61**	**235.45**

Significant accounting policies 2
Notes to the standalone financial statements 3-40

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

As per our report of even date attached.

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

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 16 June 2021

For and on behalf of Board of Directors of
Nureca Limited

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 16 June 2021

Rajinder Sharma
Director
DIN : 00317133
Place: Chandigarh
Date: 16 June 2021

Aryan Goyal
Chief Executive Officer
Place: U.S.A.
Date: 16 June 2021

Utkarshan Garg
Chief Financial Officer
Place: Chandigarh
Date: 16 June 2021

Gurvikram Singh
Company Secretary
Membership No.: 60255
Place: Chandigarh
Date: 16 June 2021

NURECA LIMITED

Nureca Limited
Standalone Statement of Profit and Loss for year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
I Revenue from operations	21	2,133.31	994.26
II Other income	22	28.17	0.61
III Total income (I + II)		2,161.48	994.87
IV Expenses			
Purchase of stock-in-trade	23	1,199.00	674.85
Changes in inventories of stock-in-trade	24	(205.30)	(28.82)
Employee benefits expense	25	45.83	31.57
Finance costs	26	15.97	7.70
Depreciation expense	27	4.09	3.74
Other expenses	28	476.96	219.60
Total expenses (IV)		1,536.55	908.64
V Profit before tax (III-IV)		624.93	86.23
VI Tax expense:			
(i) Current tax	29	164.69	22.47
(ii) Deferred tax	29	(5.10)	(0.34)
Total tax expense		159.59	22.13
VII Profit for the year (V-VI)		465.34	64.10
VIII Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligation		0.12	(0.06)
Income tax relating to remeasurement of defined benefit obligation		(0.03)	0.01
Items that will be reclassified to profit or loss			
(i) Net change in fair value of equity instruments through other comprehensive income (FVOCI)		-	(0.00)
Income tax relating to net change in fair value of equity instruments through other comprehensive income		-	-
Total other comprehensive income/(loss) for the year (net of tax)		0.09	(0.05)
IX Total comprehensive income for the year (VII+VIII)		465.43	64.05
Earnings per equity share			
Basic and diluted [nominal value of INR 10 per share]	30	62.25	9.16
Significant accounting policies	2		
Notes to the standalone financial statements	3-40		

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

As per our report of even date attached.

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

Gaurav Mahajan
Partner
Membership Number : 507857

Place: Chandigarh
Date: 16 June 2021

For and on behalf of Board of Directors of
Nureca Limited

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 16 June 2021

Rajinder Sharma
Director
DIN : 00317133
Place: Chandigarh
Date: 16 June 2021

Arvan Goyal
Chief Executive Officer
Place: U.S.A.
Date: 16 June 2021

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 16 June 2021

Gurvikram Singh
Company Secretary
Membership Number: 60255
Place: Chandigarh
Date: 16 June 2021

NURECA LIMITED

Nureca Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

A Equity share capital

Particulars	Note	As at 31 March 2021 Number of shares	Amount	As at 31 March 2020 Number of shares	Amount	As at 1 April 2019 Number of shares	Amount
Balance at the beginning of the year		10,000	0.10	10,000	0.10	10,000	0.10
Add: Share capital issued pursuant to scheme of arrangement	38	10,00,000	10.00	-	-	-	-
Less: Share capital cancelled pursuant to scheme of arrangement	38	(10,000)	(0.10)	-	-	-	-
Add: Bonus share issued during the year	13(d)	60,00,000	60.00	-	-	-	-
Add: Shares issued on private placement basis	13(e)	5,00,000	5.00	-	-	-	-
Add: fresh issue through initial public offering	13(f)	25,00,175	25.00	-	-	-	-
Balance at the end of the year		1,00,00,175	100.00	10,000	0.10	10,000	0.10

B Other equity (Refer note 14)

Particulars	Equity share capital pending allotment pursuant to	Equity share capital pending cancellation pursuant to arrangement	Reserves and surplus: Capital reserve	Securities premium	Retained earnings	Other comprehensive income: Net change in fair value of equity instruments through	Total equity
Balance as at 1 April 2019	10.00	(0.10)	(12.96)	-	88.61	-	85.55
Total comprehensive income for the year							
Add: Profit for the year	-	-	-	-	64.10	(0.00)	64.10
Add: Other comprehensive income/loss (net of tax) for the year	-	-	-	-	(0.05)	-	(0.05)
Total comprehensive income for the year	10.00	(0.10)	(12.96)	-	152.66	(0.00)	149.60
Add/Less: Transfer to retained earnings	-	-	-	-	(0.00)	0.00	-
Balance as at 31 March 2020	10.00	(0.10)	(12.96)	-	152.66	-	149.60
Balance as at 1 April 2020	10.00	(0.10)	(12.96)	-	152.66	-	149.60
Total comprehensive income for the year							
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)	(12.96)	-	618.09	-	615.03
Add: Share capital cancelled pursuant to scheme of arrangement	-	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	-	-	(12.96)	987.79	558.09	-	1,532.92

Significant accounting policies 2
Notes to the standalone financial statements 3-40
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

Gaurav Mahajan
Partner
Membership Number: 507857

Place: Chandigarh
Date: 16 June 2021

For and on behalf of Board of Directors of
Nureca Limited

Saurabh Goyal
Managing Director
DIN: 00136037
Place: Chandigarh
Date: 16 June 2021

Rajinder Sharma
Director
DIN: 00317133
Place: Chandigarh
Date: 16 June 2021

Arvan Goyal
Chief Executive Officer
Place: U.S.A.
Date: 16 June 2021

Mohant Garg
Chief Financial Officer
Place: Chandigarh
Date: 16 June 2021

Gurvikram Singh
Company Secretary
Membership Number: 60255
Place: Chandigarh
Date: 16 June 2021

NURECA LIMITED

Nureca Limited

Standalone Statement of Cash Flow for the year ended 31 March 2021

(Amount in INR million, unless otherwise stated)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flows from operating activities		
Profit before tax for the year	624.93	86.23
Adjustments for:		
Depreciation expense	4.09	3.74
Non-current investment written off	-	0.00
Expected credit loss on trade receivables	-	0.56
Income on unwinding of security deposits	(0.02)	(0.02)
Unrealized foreign exchange (gain)	(1.60)	(0.18)
Finance costs	15.97	7.70
Interest income	(17.55)	(0.18)
Operating cash flows before working capital changes	625.82	97.85
Working capital adjustments		
(Increase) in inventories	(203.50)	(28.77)
Decrease / (increase) in trade receivables	91.98	(40.95)
Increase / (decrease) in trade payables	30.70	(38.90)
(Increase) in Loans	(6.15)	(0.25)
(Increase) in other assets	(83.78)	(28.76)
(Decrease) in other financial liabilities	-	(46.47)
Increase in other current liabilities	42.35	7.08
Increase in provisions	4.25	0.70
Cash generated from / (used in) operating activities	501.67	(78.47)
Income tax paid (net)	(150.66)	(0.06)
Net cash generated from / (used in) operating activities (A)	351.01	(78.53)
B Cash flows from investing activities		
Purchase of property, plant and equipment	(0.95)	(4.11)
Purchase of Intangible Assets under development	(3.02)	-
Interest income received	1.37	0.18
Purchase of investment in subsidiaries	(7.70)	0.00
Fixed deposits (placed)	(1,094.50)	-
Net cash used in investing activities (B)	(1,104.80)	(3.93)
C Cash flows from financing activities		
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)	(4.65)	(3.36)
Interest paid	(8.26)	(5.37)
Repayment of borrowings	(128.85)	(7.50)
Proceeds from borrowings	47.36	98.24
Net cash generated from financing activities (C)	923.39	82.01
Net increase/(decrease) in cash and cash equivalents (A+B+C)	169.60	(0.45)
Cash and cash equivalents at the beginning of the year	0.39	0.84
Cash and cash equivalents at the end of the year	169.99	0.39
Notes:		
1. Components of cash and cash equivalents		
Cash on hand	-	0.00
Balances with banks:		
- In current accounts	3.99	0.39
- Fixed deposits with original maturity upto three months	166.00	
	169.99	0.39

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 15(c) for reconciliation of movements of liabilities to cash flows arising from financing activities.
3. During the year, the Company paid in cash Rs. 0.76 (previous year: Rs. 0.52) towards corporate social responsibility (CSR) expenditure (included in Corporate social responsibility expenditure - Refer note 28(b)).

Significant accounting policies 2

Notes to the standalone financial statements 3-40

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

As per our report of even date attached

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

Gaurav Mahajan
Partner
Membership Number 507857

Place: Chandigarh
Date: 16 June 2021

For and on behalf of Board of Directors of
Nureca Limited

Saurabh Goval
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 16 June 2021

Rajinder Sharma
Director
DIN : 00317133
Place: Chandigarh
Date: 16 June 2021

Aryan Goyal
Chief Executive Officer
Place: U.S.A.
Date: 16 June 2021

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 16 June 2021

Gurvikram Singh
Company Secretary
Membership Number: 60255
Place: Chandigarh
Date: 16 June 2021

NURECA LIMITED

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 U24304MH2016PLC320868) on 02 November 2016 and has been converted into a public company with effect from 08 July 2020 with registered office situated at 128 Gala Number Udyog Bhavan, 1st Floor 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

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.

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

As these are Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. The transition was carried out from Indian GAAP. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 43). The standalone financial statements for the year ended 31 March 2021 were approved for issue by the Company's Board of Directors on 16 June 2021.

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.

Basis of measurement

The standalone financial statements has been prepared on the historical cost basis except for the following items:

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

2.2 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of Ind AS financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the Ind AS financial statements.

2.3.1 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.

2.3.2 Business combinations

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

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

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

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies.

(c) The identity of the reserves has been preserved and appear in the financial information of the transferee in the same form in which they appeared in the financial information of the transferor.

(d) The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

B S R & Co. LLP

NURECA LIMITED

2.3.3 Property, plant and equipment

Recognition and Initial Measurement

Property, plant and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the 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:

a) Purchase price, net of any trade discounts and rebates;

b) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use; and

c) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Subsequent measurement

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 01 April 2019, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation and useful lives

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

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

Depreciation on additions to/deductions from property, plant and equipment during the 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.

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.

NURECA LIMITED

2.3.4 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.

2.3.5 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Chandigarh

NURECA LIMITED

2.3.6 Inventories

a) Inventories (which comprise traded goods) are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis,

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

2.3.7 Revenue recognition

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

a) Sale of products

Revenue from sale of products is recognized at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the 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.

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.

b) Contract balances

- **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the 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.

NURECA LIMITED

c) 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 adopted Ind AS 115 from 01 April 2019 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on 01 April 2019. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company.

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

2.3.8 Recognition of interest income and expenses

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:

a. the gross carrying amount of the financial asset; or
b. 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.

2.3.9 Taxes

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted to recognize tax expense at the new income tax rate as applicable to the Company.

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.

NURECA LIMITED

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 is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

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

2.3.10 Foreign currencies

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

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

Exchange differences arising on settlement of monetary items, as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Statement of Profit and Loss in the year in which they arise. These exchange differences are presented in the Statement of Profit and Loss on net basis.

2.3.11 Employee benefit

a) Short-term employee benefits

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

b) Post-employment benefits

- **Defined Contribution Plan:** A defined contribution plan is a plan under which the 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.

NURECA LIMITED

- **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.

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.

c) Other long-term employee benefits

Benefits under the Company's compensated absences constitute 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 long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

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

Certain employees were transferred from Nectar Biopharma Private Limited pursuant to the scheme of arrangement, approved by NCLT on 29 April 2020 (also refer note 38). The process of completing the formalities pertaining to transfer of such employees has been fully completed on 01 September 2020.

2.3.12 Cash and cash equivalents

Cash and cash equivalent includes cash on hand, cash at banks and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

NURECA LIMITED

2.3.13 Provisions, contingent assets and contingent liabilities

a) Provisions

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

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

b) Contingent liabilities

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

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

c) Contingent assets

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

2.3.14 Leases

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

a) Company as a lessee

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

i) Right-of-use assets

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

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

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

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NURECA LIMITED

ii) Lease liabilities

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

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

The Company's lease liabilities are included in financial liabilities

iii) Short term lease and leases of low value assets

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

iv) Single discount rate

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

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

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

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

b. a right of use assets is recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Statement of Balance Sheet immediately before the date of initial application

NURECA LIMITED

2.3.15 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 s transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in 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.

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.

NURECA LIMITED

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.

Impairment of financial assets

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

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

(a) Financial assets that are measured at amortized cost e.g., deposits, trade receivables and bank balance.
(b) Financial assets that are measured as at FVTOCI
(c) Lease receivables under Ind AS 116
(d) 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.

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

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

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

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

Derecognition of financial assets

The 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

NURECA LIMITED

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 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.

2.3.16 Fair value measurement

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

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

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

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

NURECA LIMITED

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

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

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

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

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

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

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

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

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

2.3.17 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 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.

NURECA LIMITED

2.3.18 Segment reporting

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.

2.3.19 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.

2.3.20 Corporate Social Responsibility ("CSR") expenditure

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

2.3.21 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.

2.3.22 Share issue expense

The share issue expenses incurred by the Company on account of new shares issued are netted off from securities premium account.

2.3.23 Significant accounting 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 materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the Standalone Financial Statements in the period in which they become known.

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

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

NURECA LIMITED

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 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.

NURECA LIMITED

- *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 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.

2.3.24 Recent Indian Accounting Standard (Ind AS)

On 24 March 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. The Company is evaluating these amendments on its financial statements and will give effect to the same as required by law.

Chandigarh

NURECA LIMITED

Nureca Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

Note 3a - Property, plant and equipment

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	Disposals	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021
Furniture and fixtures	2.09	0.18	-	2.27	0.11	0.20	-	0.31	1.98	1.96
Office equipment	1.50	0.70	-	2.20	0.22	0.36	-	0.58	1.28	1.62
Computers	1.73	0.07	-	1.80	0.44	0.56	-	1.00	1.29	0.80
Total	5.32	0.95	-	6.27	0.77	1.12	-	1.89	4.55	4.38

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

Note 3b - Intangible asset under development

Particulars	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
Intangible asset under development	3.02	-	-
Total	3.02	-	-

Note:
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.

BSR & Co. LLP Chandigarh

NURECA LIMITED

Note 4 - Right-of-use assets

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

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

Right-of-use assets - Building	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance as at beginning of the year	6.09	4.30	-
Additions	29.22	2.12	4.68
Additions on account of arrangement #	-	2.64	-
Deletion	(3.06)	-	-
Depreciation for the year	(2.96)	(2.97)	(0.38)
Balance as at end of the year	29.29	6.09	4.30

Transfer from Nectar Biopharma Private Limited pursuant to the scheme of arrangement which was approved by NCLT on 29 April 2020 (also refer note 38).

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	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current	3.30	3.59	1.70
Non- current	25.57	2.71	2.60
Total	28.87	6.30	4.30

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance as at beginning of the year	6.30	4.30	-
Additions	28.90	4.70	4.61
Deletions	(3.10)	-	-
Accreditation of interest	1.42	0.66	0.10
Payment of lease liabilities	(4.65)	(3.36)	(0.41)
Balance as at end of the year	28.87	6.30	4.30

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	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Less than one year	5.93	3.59	1.70
After one year but not longer than three years	10.02	3.27	3.18
More than three years	22.98	-	-
Total	38.93	6.86	4.88

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

g. The 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:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Expenses relating to short-term leases and/or leases of low-value items	0.85	0.27
Variable lease payments	1.31	2.12
Interest on lease liabilities	1.42	0.66
Depreciation expense	2.96	2.97
Total	6.54	6.02

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Total cash outflow for leases inclusing short term leases/leases of low-value item and variable lease payments	6.81	5.75

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

Note 5 - Investments

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Non-current Investments			
Unquoted investments (fully paid-up)			
Subsidiary companies (at cost)			
- Nureca INC #			
71,000 (31 March 2020: 71,000, 1 April 2019: 71,000) equity shares of USD 0.10/- each fully paid-up	0.46	0.46	0.46
- Nureca Technologies Private Limited			
760,000 (31 March 2020: Nil, 1 April 2019: Nil) equity shares of INR 10/- each fully paid-up	7.60	-	-
- Nureca Healthcare Private Limited			
10,000 (31 March 2020: Nil, 1 April 2019: Nil) equity shares of INR 10/- each fully paid-up	0.10	-	-
In Other Companies (at fair value through OCI)			
- Nureca Electronics Limited #			
Nil (31 March 2020: Nil, 1 April 2019: 200) equity shares of INR 10/- each fully paid up	-	-	0.00 ^
Total	8.16	0.46	0.46
Aggregate value of unquoted investments	8.16	0.46	0.46
Aggregate amount of impairment in value of investments *	-	0.00 ^	-

Transfer from Nectar Biopharma Private Limited pursuant to the scheme of arrangement which was approved by NCLT on 29 April 2020 (also refer note 38)

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

* The Company has identified impairment as at 31 March 2021: INR Nil (31 March 2020: INR 0.00, 1 April 2019: INR Nil). The impairment on financial assets is recognized within other comprehensive income and transferred to retained earnings on derecognition of equity instruments. Since amount is not material, it is not separately reflected in the Standalone Financial Statements. Nureca Electronics Limited ceased to exist on 03 December 2019.

NURECA LIMITED

Nureca Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

Note 6 - Loans

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Non-current			
Security deposits	0.85	0.25	0.02
	0.85	**0.25**	**0.02**
Current			
Security deposits	5.18	-	-
	5.18	**-**	**-**
Break-up for security details:			
Loans receivables considered good - unsecured	6.03	0.25	0.02
	6.03	**0.25**	**0.02**
Less: expected credit loss allowance	-	-	-
	6.03	**0.25**	**0.02**

Note 7 - Inventories
(At lower of cost and net realizable value)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Stock-in-trade	367.76	164.26	135.49
	367.76	**164.26**	**135.49**
Notes:			
Includes goods-in-transit	46.23	20.13	-

Note 8 - Trade receivables

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
From related parties (refer note 33)	0.03	10.14	5.63
From others	37.51	119.39	82.96
Less: expected credit loss allowance	(0.56)	(0.56)	-
	36.98	**128.97**	**88.59**
Break-up for security details:			
Trade receivables considered good - secured	-	-	-
Trade receivables considered good - unsecured	36.98	128.97	88.59
Trade receivables which have significant increase in credit risk	-	-	-
Trade receivables - credit impaired	0.56	0.56	-
	37.54	**129.53**	**88.59**
Less: expected credit loss allowance	(0.56)	(0.56)	-
	36.98	**128.97**	**88.59**

Movement in expected credit loss allowance of trade receivable

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balance at the beginning of the year	0.56	-	-
Additions during the year	-	0.56	-
Balance at the end of the year	**0.56**	**0.56**	**-**

Note 9 - Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with bank:			
- In current accounts	3.99	0.39	0.84
- Fixed deposits with original maturity upto three months	166.00	-	-
Cash on hand	-	0.00	0.00
	169.99	**0.39**	**0.84**
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:			
Balances with bank:			
- In current accounts	3.99	0.39	0.84
- Fixed deposits with original maturity upto three months	166.00	-	-
Cash on hand	-	0.00	0.00
	169.99	**0.39**	**0.84**

Note 10 - Other bank balances

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Bank deposits with original maturity of more than three months but less than twelve months*	1,094.50	-	-
	1,094.50	**-**	**-**

*Includes restricted deposits of Rs. 409.00 (31 March 2020: Rs. Nil, 1 April 2021: Rs. Nil) pledged as security for letter of credit and bank guarantee.

Note 11 - Other financial assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Recoverable on account of arrangement (also refer note 38)	-	19.88	-
Interest accrued not due on fixed deposits	16.18	-	-
	16.18	**19.88**	**-**

Note 12 - Other current assets

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Balances with government authorities	96.54	3.13	1.29
Prepaid expenses	13.08	-	0.06
Advances to employees	0.02	0.10	-
Advances to suppliers	5.51	10.02	3.12
Expenses recoverable from related parties	-	0.04	-
Right to recover returned goods	1.85	0.05	-
	117.00	**13.34**	**4.47**

Note 13 - Equity share capital

Authorized			
11,000,000 (31 March 2020: 10,000, 01 April 2019: 10,000) equity shares of INR 10 each #	110.00	0.10	0.10
Issued, subscribed and paid-up			
10,000,175 (31 March 2020: 10,000, 01 April 2019: 10,000) equity shares of INR 10 each fully paid up #	100.00	0.10	0.10

Also, refer note 38

S R & Co. Bangalore

NURECA LIMITED

Nureca Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

a) Rights, preferences and restrictions attached to equity shares

As per the memorandum of association, the Company's 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 2021		As at 31 March 2020		As at 01 April 2019	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the year	10,000	0.10	10,000	0.10	10,000	0.10
Add: shares issued during the year (Refer note 38)	10,00,000	10.00	-	-	-	-
Less: shares cancelled during the year (Refer note 38)	(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 e)	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**	**10,000**	**0.10**	**10,000**	**0.10**

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

	As at 31 March 2021		As at 31 March 2020		As at 01 April 2019	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Nectar Biopharma Private Limited*	21	0.00	10,000	100.00	10,000	100.00
Payal Goyal	34,99,979	35.00	-	-	-	-
Saurabh Goyal	34,99,979	35.00	-	-	-	-
	69,99,979	70.00	10,000	100.00	10,000	100.00

* Including Nil (31 March 2020: 1, 1 April 2019: 1) equity share held in the name of Mr. Saurabh Goyal as a nominee shareholder as per proviso to section 187 (1) of the Companies Act, 2013.

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

Particulars	31 March 2021 Numbers of shares	31 March 2020 Numbers of shares	31 March 2019 Numbers of shares	31 March 2018 Numbers of shares	1 April 2017 Numbers of shares
Shares allotted as per approved scheme of arrangement	10,00,000	-	-	-	-
Bonus shares issued	60,00,000	-	-	-	-

Note:- As per approval of Honorable National Company Law Tribunal ('NCLT') for the scheme of arrangement ('Scheme') among Nectar Biopharma Private Limited (demerged company) and Nureca Private Limited (resulting company) and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act 2013, with effect from appointed date of 1 April 2019, the Company cancelled 10,000 shares and issued 1,000,000 shares for consideration other than cash on 10 June 2020.

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 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. 1000.00 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.

NURECA LIMITED

Nureca Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

Note 14 - Other equity

	As at 31 March 2021	As at 31 March 2020	As at 01 April 2019
a Equity share capital pending allotment pursuant to arrangement (refer note 38)			
Balance at the beginning of the year	10.00	10.00	10.00
Movement during the year	(10.00)	-	-
Balance at the end of the year	-	10.00	10.00
b Equity share capital pending cancellation pursuant to arrangement (refer note 38)			
Balance at the beginning of the year	(0.10)	(0.10)	(0.10)
Movement during the year	0.10	-	-
Balance at the end of the year	-	(0.10)	(0.10)
c Capital reserve			
Balance at the beginning of the year	(12.96)	(12.96)	(12.96)
Movement during the year	-	-	-
Balance at the end of the year	(12.96)	(12.96)	(12.96)
d Security premium			
Balance at the beginning of the year	-	-	-
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 (Refer note 39)	(32.21)	-	-
Balance at the end of the year	987.79	-	-
e Retained earnings			
Balance at the beginning of the year	152.66	88.61	26.28
Add: Profit for the year	465.34	64.10	62.33
Add: Other comprehensive (loss)/ income for the year (remeasurement of defined benefit plans, net of tax)	0.09	(0.05)	(0.00)
Less: equity instruments derecognized during the year (refer note f below)	-	(0.00)	-
Less: Bonus Shares issued during the year	(60.00)	-	-
Balance at the end of the year	558.09	152.66	88.61
f Net change in fair value of equity instruments through other comprehensive income			
Balance at the beginning of the year	-	-	-
Less: Movement during the year	-	(0.00)	-
Add: Transferred to retained earnings	-	0.00	
Balance at the end of the year	-	-	-
Total	1,532.93	149.60	85.55

Nature of reserves

a. Equity share capital pending allotment pursuant to arrangement
Equity share capital pending allotment pursuant to arrangement is on account of the business combination under common control as per the Court approved scheme which have been allotted on 10 June 2020. Also, refer note 38.

b. Equity share capital pending cancellation pursuant to arrangement
Equity share capital pending cancellation pursuant to arrangement is on account of the business combination under common control as per the Court approved scheme which have been cancelled on 10 June 2020. Also, refer note 38.

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

d. 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.

e. Retained earnings
Retained earnings comprises of undistributed earnings after taxes.

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

NURECA LIMITED

Note 15 - Borrowings

A. Non-current borrowings

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Unsecured				
Deposits from directors, KMPs & their relatives (refer note 33)	(a)	7.79	90.74	-
Lease liability (refer note 4)		28.87	6.30	4.30
Total non-current borrowings (including current maturities)		36.66	97.04	4.30
Less: current maturities of lease liabilities (refer note 4 and 18)	(b)	(3.30)	(3.59)	(1.70)
		33.36	93.45	2.60

Notes:

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

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

B. Current borrowings

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
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 1.46 (31 March 2020: Nil, 01 April 2019: Nil) from Trumom Private Limited carrying interest rate of 6% (31 March 2020: Nil, 01 April 2019: Nil) per annum.

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

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Borrowings at the beginning of the year (current and non-current borrowings)	97.04	4.30	-
Proceeds from non-current borrowings	47.36	98.24	-
Repayments of non-current borrowings	(128.85)	(7.50)	-
Interest on lease liabilities	1.42	0.66	0.10
Additions to lease liabilities	28.90	4.70	4.61
Deletion to lease liabilities	(3.10)	-	-
Payment of lease liabilities (including interest)	(4.65)	(3.36)	(0.41)
Borrowings at the end of the year (current and non-current borrowings)	38.12	97.04	4.30

Note 16 - Provisions

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
A. Non-current			
Provision for employee benefits:			
Provision for compensated absences	1.20	0.31	0.16
Provision for gratuity (refer note 32)	3.31	0.70	0.13
	4.51	1.01	0.29
B. Current			
Provision for employee benefits:			
Provision for compensated absences	0.68	0.08	0.03
Provision for gratuity (refer note 32)	0.02	0.00	0.00
	0.70	0.08	0.03
	5.21	1.09	0.32

Note 17 - Trade payables

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Total outstanding dues of micro and small enterprises	5.09	-	-
Total outstanding dues of creditors other than micro and small enterprises #	82.53	58.51	97.60
	87.62	58.51	97.60

Also, the Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. The information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the 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 33

Note 18 - Other financial liabilities

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current maturities of lease liability (refer note 4 and 15)	3.30	3.59	1.70
Interest accrued but not due on borrowings (refer note 33)	0.08	0.54	-
Payable on account of arrangement (Refer note 38)	-	-	46.49
	3.38	4.13	48.19

Note 19 - Other current liabilities

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Contract liability	4.40	3.76	0.09
Statutory liabilities #	19.91	2.09	0.04
Refund liability	18.58	0.09	-
Payable to employees	7.58	2.07	0.84
Others	-	0.11	0.06
	50.47	8.12	1.03

Pursuant to recent judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The 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)

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Current tax liabilities (net of advance tax of INR 150.79 (31 March 2020: INR 0.13, 01 April 2019: INR 0.16)	44.39	23.61	0.06
	44.39	23.61	0.06

Nureca Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

Note 21 - Revenue from operations

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of products	2,133.31	994.26
	2,133.31	994.26

Notes:

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

Contract price	2,266.85	1,034.13
Adjustments for:		
- Discounts and rebates	114.96	39.78
- Refund liability	18.58	0.09
Revenue recognized	2,133.31	994.26

b. Contract Balances

Receivables, which are included in 'trade receivables'	36.98	128.97
Contract liability, which are included in 'other current liabilities'	(4.40)	(3.76)
Refund liability, which are included in 'other current liabilities'	(18.58)	(0.09)
	14.00	125.12

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	2,133.31	994.26
Outside India	-	-
Total revenue from contracts with customers	2,133.31	994.26

Note 22 - Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income		
- on bank deposits	17.55	-
- on financial assets measured at amortized cost at EIR	-	0.18
Exchange gain on foreign exchange fluctuation (net)	9.62	0.41
Income on unwinding of security deposit	0.02	0.02
Rental Income	0.16	-
Miscellaneous income	0.82	-
	28.17	0.61

Note 23 - Purchase of stock-in-trade

	For the year ended 31 March 2021	For the year ended 31 March 2020
Purchase of stock-in-trade	1,199.00	674.85
	1,199.00	674.85

Note 24 - Changes in inventories of stock in trade

	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance		
- Stock-in-trade	164.26	135.49
- Right to recover returned goods	0.05	-
Closing balance		
- Stock-in-trade	(367.76)	(164.26)
- Right to recover returned goods	(1.85)	(0.05)
	(205.30)	(28.82)

Note 25 - Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	44.11	30.72
Contribution to provident and other funds (refer note 32)	0.98	0.72
Staff welfare expenses	0.74	0.13
	45.83	31.57

Note 26 - Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost :		
- on borrowings	6.55	3.54
- on lease liabilities	1.42	0.66
Interest expense on income tax	6.75	-
Other borrowing cost	1.25	3.50
	15.97	7.70

Note 27 - Depreciation expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on property, plant and equipment	1.13	0.77
Depreciation on right-of-use assets	2.96	2.97
	4.09	3.74

Note 28 - Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Advertisement	95.84	31.31
Insurance	0.72	0.38
Communication expenses	0.38	0.46
Legal and professional fee (refer note (a) below)	6.89	8.22
Rent	2.16	2.39
Travel and conveyance	0.76	2.97
Shifting and handling expenses	16.42	9.37
Security services	1.15	0.44
Expected credit loss on trade receivables	-	0.56
Commission and incentive	119.88	87.80
Packing expenses	14.18	15.06
Repairs and maintenance	1.65	1.78
Rates and taxes	2.04	1.99
Power and fuel	0.05	0.38
Freight charges	61.36	50.92
CSR expenditure (refer note (b) below)	0.76	0.52
Business support service (refer note 33G)	139.61	-
Loss on derecognition of financial assets	10.93	-
Miscellaneous expenses	2.18	5.05
	476.96	219.60

NURECA LIMITED

Nureca Limited
Notes to the Standalone Financial Statements for the year ended 31 March 2021
(Amount in INR million, unless otherwise stated)

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
As auditor:		
- Statutory audit	1.10	0.31
- Tax audit	-	-
- Reimbursement of expenses	0.07	-
Amount debited to Standalone Statement of Profit and Loss	1.17	0.31
- Others services in connection with initial public offering (refer note 39)	5.26	-
Total	6.43	0.31

(b) Details of CSR expenditure:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Amount required to be spent by the Company during the year	0.58	-
Actual spent during the year:		
(i) Construction / acquisition of any asset	0.76	
(ii) On purpose other than above - in cash	-	-
	0.76	0.52

Note 29 - Tax expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
a. Amount recognized in Consolidated Statement of Profit and Loss:		
Current tax:		
- Current year	164.69	22.47
Deferred tax:		
- Attributable to origination and reversal of temporary differences	(5.10)	(0.34)
Total tax expense recognized	159.59	22.13
b. Reconciliation of effective tax rate		
Profit before tax	624.93	86.23
Tax at India's statutory tax rate of 25.17%	157.30	21.71
Tax effect of non-deductible expenses	2.29	0.42
Income tax expense recognized in the statement of profit and loss	159.59	22.13
c. Income tax expense recognized in other comprehensive income		
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	(0.03)	0.01
Net change in fair value of equity instruments through other comprehensive income	-	-
Total income tax recognized in other comprehensive income	(0.03)	0.01
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	(0.03)	0.01
	(0.03)	0.01

d. Deferred tax balances reflected in the Balance Sheet:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Deferred tax asset	5.66	0.49	0.10
Deferred tax liability	(0.14)	(0.07)	(0.03)
Deferred tax asset (net)	5.52	0.42	0.07

e. Movement in deferred tax balances

	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	1.03	(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)	-	-
Others	0.00	-	-	0.00
Deferred tax asset (A)	0.49	5.17	(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)
Discounting of security deposit	0.00	-	-	0.00
Deferred tax liability (B)	(0.07)	(0.07)	-	(0.14)
Deferred tax asset (net) (A+B)	0.42	5.10	(0.03)	5.52

	As at 1 April 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at 31 March 2020
Deferred tax asset				
Provision for employee benefits	0.09	0.18	0.01	0.28
Expected credit loss allowance on trade receivables	-	0.14	-	0.14
Refund liability	-	0.01	-	0.01
Lease liabilities	0.00	0.06	-	0.06
Others	0.01	(0.01)	-	0.00
Deferred tax asset (A)	0.10	0.38	0.01	0.49
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(0.03)	(0.04)	-	(0.07)
Discounting of security deposit	-	0.00	-	0.00
Deferred tax liability (B)	(0.03)	(0.04)	-	(0.07)
Deferred tax asset (net) (A+B)	0.07	0.34	0.01	0.42

NURECA LIMITED

Note 30 - Earnings per share

	For the year ended 31 March 2021	For the year ended 31 March 2020
i. Profit for basic/diluted earning per share of face value of INR 10 each		
Profit for the year	465.34	64.10
ii. Calculation of Weighted average number of equity shares for (basic and diluted)		
(a) Number of shares at the beginning of the year *	70,00,000	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	74,75,360	70,00,000
Basic and diluted earnings per share (face value of INR 10 each)	**62.25**	**9.16**

* The equity shares and basic/diluted earnings per share has been presented to reflect the adjustments for issue of bonus shares during the 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 trading of home healthcare and wellness products in the domestic market only which is considered to be a single business segment / geographical segment.

The Company is in the business of trading of home healthcare and wellness in the domestic market only through online portal. 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 2021	For the year ended 31 March 2020
Revenue from branded healthcare products	2,133.31	994.26
Total	**2,133.31**	**994.26**

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 2021	For the year ended 31 March 2020
i. Revenue from customers		
India	2,133.31	994.26
Outside India	-	-
	2,133.31	**994.26**

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
ii. Trade receivables			
India	36.98	128.97	88.59
Outside India	-	-	-
	36.98	**128.97**	**88.59**

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 2021, 2 customer of the Company constituted more than 10% of the total revenue of Company amounting to INR 1,214.62, 31 March 2020: 1 customer of the Company constituted more than 10% of the total revenue of Company amounting to INR 352.71.

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 2021	For the year ended 31 March 2020
Contribution to provident and other funds (refer note 25)	0.98	0.72

b. Defined benefit plans

Gratuity

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

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which 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).

S.P. & Co. LLP

NURECA LIMITED

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 2021	As at 31 March 2020	As at 1 April 2019
i. Reconciliation of present value of defined benefit obligation			
Balance at the beginning of the year	0.70	0.13	0.03
Interest cost	0.21	0.04	0.01
Current service cost	1.34	0.47	0.09
Past service cost	1.27	-	-
Benefits paid	(0.07)	-	-
Actuarial loss recognized in other comprehensive income			
- from changes in financial assumptions	-	0.06	0.00
- from changes in demographic assumptions	-	0.00	-
- from experience adjustments	(0.12)	0.00	(0.00)
Balance at the end of the year	**3.33**	**0.70**	**0.13**

	For the year ended 31 March 2021	For the year ended 31 March 2020
ii. Amount recognized in statement of profit and loss		
Interest cost	0.21	0.04
Current service cost	1.34	0.47
Past service cost	1.27	-
	2.82	**0.51**
iii. Remeasurements recognized in other comprehensive income		
Actuarial loss for the year on defined benefit obligation	(0.12)	0.06
	(0.12)	**0.06**

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 2021	As at 31 March 2020	As at 1 April 2019
Discount rate (per annum)	7.0%	6.6%	7.4%
Future salary growth rate (per annum)	15%	10%	10%
Expected average remaining working lives (years)	28.46	28.94	29.75

(ii) Demographic assumptions

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Retirement age (years)	58	58	58
Mortality rate	100% of IALM 2012- 14	100% of IALM 2012- 14	100% of IALM 2006-08
Attrition rate (per annum)	10%	15%	15%

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Increase		
Discount rate (1% movement)	(0.38)	(0.06)
Future salary growth rate (1% movement)	0.32	0.07
Decrease		
Discount rate (1% movement)	0.46	0.07
Future salary growth rate (1% movement)	(0.29)	(0.07)

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.

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

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Within 1 year (next annual reporting period)	0.01	0.00	-
Between 1 to 5 years	0.61	0.17	0.03
Between 5 to 10 years	1.53	0.46	0.09
Beyond 10 years	7.49	0.83	0.00
Total expected payments	**9.64**	**1.46**	**0.12**

vii. Weighted average duration of the defined benefit plan:

	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
Weighted average duration of the defined benefit plan (in years)	16.03	11.97	10.70

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NURECA LIMITED

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. Gurvikram Singh - Company Secretary
	*Mr. Nishant Garg has been appointed as a Chief Financial Officer w.e.f.16 June 2021 persuant to the approval of Board of Directors and Audit Committee
Relatives of KMPs	Mrs. Payal Goyal
	Mrs. Raman Goyal (refer note 33F)
	Mrs. Smita Goyal
Entities in which KMP and/or their relatives have significant influence	Trumom Private Limited
	Mirasan Private Limited
	Nectar Life Sciences Limited (refer note 33F)
	Nectar Biopharma Private Limited (refer note 33G)
Non Executive Directors	Mr. Vijay Kumar Sharma (w.e.f. 21 October 2020)
	Mrs. Smita 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
	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 2021	For the year ended 31 March 2020
1 Revenue from operations (net of returns)	Nectar Life Sciences Limited	(5.67) **	9.51
	Nureca Technologies Private Limited	1.13	-
2 Purchase of stock-in-trade	Nectar Life Sciences Limited	237.71 **	189.55
	Nureca Technologies Private Limited	1.18	-
	Nureca INC	-	2.00
3 Reimbursement of expense paid by the Company	Trumom Private Limited	-	0.04
	Mirasan Private Limited	0.02	-
	Nureca Healthcare Private Limited	0.02	-
	Nureca Technologies Private Limited	5.57	-
4 Borrowings taken	Mrs. Payal Goyal	-	30.18
	Mr. Saurabh Goyal	3.90	22.21
	Mrs. Raman Goyal	-	43.18
	Mrs. Smita Goyal	-	2.68
	Trumom Private Limited	1.46	-
	Nectar Biopharma Private Limited	-	0.75
5 Borrowings repaid	Mrs. Payal Goyal	23.78	2.50
	Mr. Saurabh Goyal	17.21	5.00
	Mrs. Raman Goyal	43.18	-
	Mrs. Smita Goyal	2.68	-
6 Advance received against supply of goods	Trumom Private Limited	-	1.90
7 Interest accrued during the year	Mrs. Payal Goyal	0.63	0.17
	Mr. Saurabh Goyal	0.18	0.14
	Mrs. Raman Goyal	1.83	0.27
	Mrs. Smita Goyal	0.03	0.01
	Trumom Private Limited	0.08	-
8 Manágerial remuneration *	Mr. Saurabh Goyal	8.22	6.90

NURECA LIMITED

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 2021	For the year ended 31 March 2020
9 Salary to KMPs and their relatives *	Mrs. Payal Goyal	5.92	3.00
	Ms. Smita Goyal	0.44	3.00
	Mr. Aryan Goyal	10.23	6.90
	Mr. Gurvikram Singh	0.19	-
	Ms. Sakshi Mittal	0.43	-
10 Sitting Fee	Mr. Vijay Kumar Sharma	0.30	-
	Mrs. Smita Goyal	0.02	-
	Ms. Ruchita Agarwal	0.03	-
	Ms. Charu Singh	0.03	-
	Mr. Rajinder Sharma	0.02	-
11 Commission and incentive	Nectar Biopharma Private Limited	29.53	-
12 Business support services	Nectar Biopharma Private Limited	139.61	-
13 Shares cancelled during the year	Nectar Biopharma Private Limited	(0.10)	-
14 Shares allotted during the year	Mr. Saurabh Goyal	35.00	-
	Mrs. Payal Goyal	35.00	-
15 Investments (in equity share @ 10/- per share)	Nureca Healthcare Private Limited	0.10	-
	Nureca Technologies Private Limited	7.60	-
* Break-up of compensation of key managerial personnel of the Company			
Short-term employee benefits		25.43	6.90
Post-employment benefits		1.49	0.11
Total compensation paid to key management personnel		**26.92**	**7.01**

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 2021	As at 31 March 2020	As at 1 April 2019
1 Expenses recoverable	Trumom Private Limited	-	0.04	-
2 Payable to employees	Mr. Saurabh Goyal	0.42	0.25	-
	Mr. Aryan Goyal	4.83	0.45	-
	Ms. Payal Goyal	-	0.13	-
	Mrs. Smita Goyal	-	0.23	-
	Mr. Gurvikram Singh	0.03	-	-
	Ms. Sakshi Mittal	0.05	-	-
3 Borrowings	Ms. Payal Goyal	3.90	27.68	-
	Mr. Saurabh Goyal	3.90	17.21	-
	Mrs. Raman Goyal	-	43.18	-
	Mrs. Smita Goyal	-	2.68	-
	Trumom Private Limited	1.46	-	-
4 Interest accrued but not due	Ms. Payal Goyal	-	0.16	-
	Mr. Saurabh Goyal	-	0.12	-
	Mrs. Raman Goyal	-	0.25	-
	Mrs. Smita Goyal	-	0.01	-
	Trumom Private Limited	0.08	-	-
5 Trade payables	Nectar Life Sciences Limited	-	6.48	87.24
	Nectar Biopharma Private Limited	13.16 **		
	Nureca Technologies Private Limited	0.08	-	-
6 Trade receivables	Nectar Life Sciences Limited	-	10.12	5.16
	Nectar Biopharma Private Limited	-	-	-
	Trumom Private Limited	-	-	0.44
	Nureca INC	0.03	-	-
7 Recoverable on account of arrangement	Nectar Biopharma Private Limited	-	19.88	-
8 Payable on account of arrangement	Nectar Biopharma Private Limited	-	-	52.42
9 Contract liability	Trumom Private Limited	-	1.46	-

NURECA LIMITED

D. Balances outstanding at year end (Continue)

Nature of transaction	Name of related party	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
10 Investments	Nureca INC	0.46	0.46	0.46
	Nureca Healthcare Private Limited	0.10	-	-
	Nureca Technologies Private Limited	7.60	-	-

** During the year ended 31 March 2021, purchase of stock-in-trade from Nectar Life Sciences Limited of INR 234.77 million (31 March 2020: INR Nil and 1 April 2019: INR Nil) 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 (5.67) (31 March 2020: INR Nil and 01 April 2019: INR Nil) were made through the Company's Agent Nectar Biopharma Private Limited. Accordingly, the balance outstanding towards Nectar Biopharma Private Limited as at 31 March 2021 includes INR Nil (31 March 2020: INR Nil and 1 April 2019: INR Nil) further payable towards Nectar Life Sciences Limited for the aforesaid purchase of stock-in-trade.

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

Pursuant to the family settlement, Mr. Saurabh Goyal and Mr. Aryan Goyal, by way of their letters dated 1 October 2020 and 30 September 2020 respectively addressed to the Board of Directors of Nectar Lifesciences Limited, SEBI, BSE and National Stock Exchange, have intimated that their shareholdings in Nectar Lifesciences Limited have been transferred to Mr. Sanjiv Goyal and his HUF by way of gift and expressed that they intended to be ceased from being classified as members of the promoter group of Nectar Lifesciences Limited. 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 fulfill all legal formalities including but not limited to transfer of relevant licenses and obtaining requisite approvals from appropriate authorities. Under this agreement, Nectar Biopharma Private Limited would act as agent of the Company and be responsible for procurement of goods, provision of business support services and further sale of goods on behalf of the Company for which Nectar Biopharma Private Limited is entitled to commission fees based on a percentage of sales and purchases made on behalf of the Company and service fee based on cost of services rendered which are considered to be at arms length.

Accordingly, the Company has 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.

H. 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, jewellary 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 Avensis 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 promotors, 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 31 March 2021	As at 31 March 2020	As at 1 April 2019
(i) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the each year			
- Principal	5.06	-	-
- Interest	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 (27of 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.	0.06	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each year	0.03	-	-
(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	-	-	-

NURECA LIMITED

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 2021		As at 31 March 2020		As at 1 April 2019	
			Amortised Cost	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost	Fair value through OCI
Financial assets								
Investments	a	3	8.16	-	0.46	-	0.46	0.00
Loans	b		6.03	-	0.25	-	0.02	-
Trade receivables	c		36.98	-	128.97	-	88.56	-
Cash and cash equivalents	c		169.99	-	0.39	-	0.84	-
Other bank balances	c		1,094.50	-	-	-	-	-
Other financial assets	c		16.18	-	19.88	-	-	-
			1,331.84	-	149.95	-	89.88	0.00
Financial liabilities								
Borrowings	b		34.82	-	93.45	-	2.60	-
Trade payables	c		87.62	-	58.51	-	97.60	-
Other financial liabilities	c		3.38	-	4.13	-	48.19	-
			125.82	-	156.09	-	148.39	-

Notes:

a. The carrying value of investment in Nureca Electronics Private Limited was INR 2,000/-. Fair value of this investment is not considered to be material and Nureca Electronics Limited ceased to exist on 03 December 2019.

b. 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.

c. 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 derivate 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 2021		As at 31 March 2020		As at 1 April 2019	
		Amount in Foreign Currency	Amount in Indian Currency	Amount in Foreign Currency	Amount in Indian Currency	Amount in Foreign Currency	Amount in Indian Currency
Trade payables	USD	0.35	25.50	0.22	16.42	-	-

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

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 2021				
USD 5% movement	1.28	(1.28)	0.95	(0.95)
As at 31 March 2020				
USD 5% movement	0.82	(0.82)	0.61	(0.61)
As at 1 April 2019				
USD 5% movement	-		-	-

NURECA LIMITED

(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 2021	As at 31 March 2020	As at 01 April 2019
Not due	36.75	77.57	81.06
Less than 90 days	-	40.68	6.91
90-180 days	-	8.85	0.21
More than 180 days	0.23	1.87	0.41
Total	**36.98**	**128.97**	**88.59**

(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 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	-	87.62	-	-	87.62
Lease liabilities	28.87	-	5.93	10.02	22.98	38.93
Total	**125.82**	**-**	**93.63**	**20.94**	**22.98**	**137.54**

As at 31 March 2020	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings (excluding lease liabilities)	90.74	-	-	96.81	-	96.81
Other financial liabilities (excluding lease liabilities)	0.54	-	0.54	-	-	0.54
Trade payables	58.51	-	58.51	-	-	58.51
Lease liabilities	6.30	-	3.59	3.27	-	6.86
Total	**156.09**	**-**	**62.64**	**100.07**	**-**	**162.71**

As at 1 April 2019	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Borrowings (excluding lease liabilities)	-	-	-	-	-	-
Other financial liabilities (excluding lease liabilities)	46.49	-	46.49	-	-	46.49
Trade payables	97.60	-	97.60	-	-	97.60
Lease liabilities	4.30	-	1.70	3.18	-	4.88
	148.39	**-**	**145.79**	**3.18**	**-**	**148.97**

(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 2021	As at 31 March 2020	As at 1 April 2019
Trade payables (Refer note 17)	87.62	58.51	97.60
Borrowings (Refer note 15)	38.12	97.04	4.30
Less: cash and cash equivalents (Refer note 9)	169.99	0.39	0.84
Net debt	**(44.25)**	**155.16**	**101.06**
Equity share capital (Refer note 13)	100.00	0.10	0.10
Other equity (Refer note 14)	1,532.92	149.60	85.55
Total capital	**1,632.92**	**149.70**	**85.65**
Capital and net debt	1,588.66	304.86	186.71
Gearing ratio	**-2.79%**	**50.90%**	**54.13%**

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.

NURECA LIMITED

Note 37 Capital risk management (Continue)

(b) Dividend not recognised at the end of the year

Subsequent to the year end, the Board of Directors have recommended payment of final dividend of INR 2 per share (20 percent of the face value of the equity share of Rs. 10 each) for the financial year ended 31 March 2021. The proposed dividend is subject to the approval of shareholders in the ensuing general meeting.

Note 38 - Business combination

The Company had taken the effect of demerger as per the scheme of arrangement ('Scheme') among Nectar Biopharma Private Limited (demerged company) and Nureca Private Limited (resulting company) and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act 2013, which has been sanctioned by the Honorable National Company Law Tribunal, Mumbai vide its order dated 29 April 2020.

The Scheme had become effective on 23 May 2020 ("Effective date") on filing of certified copy of the order with the Registrar of Companies. The appointed date from which the Scheme was operative was 1 April 2019 (the "appointed date") and the effect of the same had been considered in the IGAAP financial statements for the year ended 31 March 2020.

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

As an integral part of the Scheme, and, upon the coming into effect of the Scheme, the authorized share capital of the resulting company shall automatically stand increased, without any further act, instrument or deed on the part of the resulting company, such that upon the coming into effect of this Scheme, the authorized share capital of the resulting company shall be INR 10,000,000/- (Rupees ten millions only) divided into 1,000,000 (one million) equity shares of INR 10 (Rupee Ten Only). Consequently, Clause V of the Memorandum of Association of the resulting company shall, upon the coming into effect of this Scheme and without any further act or deed, be and stand altered, modified and substituted pursuant to Sections 13, 61 and 230 to 232 and other applicable provisions of the Act, as the case may be, in the manner set out below and be replaced by the following clause:
"V. The Authorized Share Capital of the Company is INR. 10,000,000 (Rupees ten millions only) divided into 1,000,000 (one million) Equity Shares of INR. 10/ (Rupees ten millions only) each."

Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the certain portion of business activities of the demerged company in the resulting company in terms of Part II of the Scheme, the resulting company shall, without any further act or deed, issue and allot to the equity shareholders of the demerged company, whose name is recorded in the register of members or records of the depositories as members of the demerged company, on the Record Date, 1 (one) equity share of INR 10/- (Rupee ten only) each of the resulting company credited as fully paid-up for every 1(one) equity share of INR 10/- (Rupee ten only) each held by such shareholder of demerged company ("New Equity Shares").
It is clarified that no cash consideration shall be paid by the resulting company to the demerged company or its shareholders.

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

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

Note (a) : In accordance with the terms of the scheme, the demerged company has retained certain assets and liabilities in its books for the sake of convenience and towards facilitating a single point of contact for realization of assets and discharge of liabilities to third persons Accordingly, the demerged company has recognized a net receivable / payable from/to the resulting company.

Note 39 - Share issue expenses

During the 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. 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
Funding incremental working capital requirements	750.00	750.00	190.53	559.47
General Corporate purpose	210.79	217.79	-	217.79
Total proceeds	960.79	967.79	190.53	777.26

The Company has incurred Rs. 32.21 millions (excluding GST) of IPO expenses. These expenses have been adjusted towards the securities premium account. IPO proceeds which were unutilised as at 31 March 2021 were temporarily invested in deposits with bank 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

Nureca Limited

Notes to the Standalone Financial Statements for the year ended 31 March 2021

(Amount in INR million, unless otherwise stated)

Note 40 - First time adoption

The Statement of balance sheet of the Company as at 31 March 2021, the Statement of profit and loss, the Statement of changes in equity and the Statement of cash flows for the period ended 31 March 2021 have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

I. Exemptions applied:

1. Mandatory exceptions:

a) Estimates

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

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

b) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

2. Optional exemptions:

a) Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date 1 April 2019. For the purpose of standalone financial statements for the year ended 31 March 2021, 31 March 2020 and 1 April 2019 the Company has provided the depreciation based on the estimated useful life of respective years.

b) Leases

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

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

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

The Company also applied the available practical expedients wherein it:

a)Used a single discount rate to a portfolio of leases with reasonably similar characteristics

b)Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application

c)Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

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

Particulars	Notes	As at 31 March 2020	As at 1 April 2019
Total equity reported earlier under previous GAAP		149.90	85.65
(i) Ind AS adjustments			
- Leases	a	(0.24)	-
- Financial assets measured at amortised cost	b	(0.00)	-
- Right to return	c	(0.03)	-
- Tax adjustments	e	0.07	-
Total equity as per Ind AS		149.70	85.65

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

Particulars		For the year ended 31 March 2020
Profit for the year reported earlier under previous GAAP		64.24
Ind AS adjustments		
- Leases	a	(0.24)
- Financial assets measured at amortised cost	b	(0.00)
- Right to return	c	(0.03)
- Remeasurements of the defined benefit plans reclassified to OCI	d	0.06
- Tax adjustments	e	0.07
Profit for the year reported earlier under Ind AS		64.10
Other comprehensive income (net of tax)		(0.05)
Total comprehensive Income as reported under Ind AS		64.05

IV. Impact of Ind AS adoption on the Statement of Cash Flows

There were no material differences between the standalone financial statements and cash flow statement under previous GAAP (as adjusted for the impact of the arrangement).

V. Notes to first time adoption

a Leases

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

Chandigarh

NURECA LIMITED

The impact arising from the change is as follows:

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

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

b Financial assets measured at amortised cost

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

The impact arising from the change is as follows:

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

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

c Right to return

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

d Remeasurements of the defined benefit plans reclassified to OCI

Under Previous GAAP, the Company recognized remeasurement of defined benefit plans under Statement of Profit and Loss. Under Ind AS, remeasurement of defined benefit plans are recognized immediately in the standalone financial statements with a corresponding debit or credit to retained earnings through OCI.

e Deferred tax assets (net)

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

The impact arising from the change is as follows:

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

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

VI. Regrouping / reclassification

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

These amendments does not have any impact on the standalone Ind AS financial statements

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

Gaurav Mahajan
Partner
Membership Number: 507857

Place: Chandigarh
Date: 16 June 2021

For and on behalf of Board of Directors of
Nureca Limited

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 16 June 2021

Rajinder Sharma
Director
DIN : 00317133
Place: Chandigarh
Date: 16 June 2021

Arun Goyal
Chief Executive Officer
Place: U.S.A.
Date: 16 June 2021

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 16 June 2021

Gurvikram Singh
Company Secretary
Membership Number: 60255
Place: Chandigarh
Date: 16 June 2021

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