Nureca Limited
Consolidated Balance sheet as at 31 March 2023
(Amount in INR million, unless otherwise stated)

Particulars		Notes	As at 31 March 2023	As at 31 March 2022
	Assets			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	3a	31.35	36.78
(b)	Right-of-use assets	4	29.06	41.19
(c)	Intangible assets	3b	26.13	23.92
(d)	Intangible assets under development	3c	-	4.23
(e)	Financial assets			
	- Other financial assets	6	75.25	22.24
(f)	Deferred tax assets (net)	32	27.29	1.01
(g)	Other tax assets (net)	7a	11.09	-
	Total non-current assets		**200.17**	**129.37**
(2)	**Current assets**			
(a)	Inventories	8	344.77	631.77
(b)	Financial assets			
	- Investments	5	590.85	331.86
	-Trade receivables	9	42.95	28.94
	- Cash and cash equivalents	10	5.04	82.49
	- Bank balances other than cash and cash equivalents	11	704.62	761.03
	- Other financial assets	6	40.98	67.38
(c)	Other current assets	12	127.10	158.46
(d)	Other tax assets (net)	7b	9.32	-
	Total current assets		**1,865.63**	**2,061.93**
	Total assets		**2,065.80**	**2,191.30**
	Equity and liabilities			
(1)	**Equity**			
(a)	Equity share capital	13	100.00	100.00
(b)	Other equity	14	1,848.82	1,931.98
	Total equity		**1,948.82**	**2,031.98**
	Liabilities			
(2)	**Non- current liabilities**			
(a)	Financial liabilities			
	- Lease liabilities	16	20.27	32.81
(b)	Provisions	17a	7.88	4.13
	Total non-current liabilities		**28.15**	**36.94**
(3)	**Current liabilities**			
(a)	Financial liabilities			
	- Borrowings	15	0.82	0.76
	- Lease liabilities	16	12.18	10.48
	-Trade payables	18		
	- total outstanding dues of micro and small enterprises		2.91	3.61
	- total outstanding dues of creditors other than micro and small enterprises		46.99	43.60
	- Other financial liabilities	19	0.36	0.22
(b)	Other current liabilities	20	22.59	41.44
(c)	Provisions	17b	2.30	1.69
(d)	Current tax liabilities (net)	21	0.68	20.58
	Total current liabilities		**88.83**	**122.38**
	Total liabilities		**116.98**	**159.32**
	Total equity and liabilities		**2,065.80**	**2,191.30**

Significant accounting policies	2
Notes to the consolidated financial statements	3-45

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

As per our report of even date attached.

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

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:24:11 +05'30'

Ankush Goel
Partner
Membership Number : 505121

Place: New Delhi
Date: 23-05-2023

For and on behalf of Board of Directors of
Nureca Limited

SAURABH GOYAL Digitally signed by SAURABH GOYAL Date: 2023.05.23 21:51:09 +05'30'

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 23-05-2023

ARYAN GOYAL Digitally signed by ARYAN GOYAL Date: 2023.05.23 21:55:38 +05'30'

Aryan Goyal
Whole-time director & CEO
DIN : 00002869
Place: Chandigarh
Date: 23-05-2023

NISHANT GARG Digitally signed by NISHANT GARG Date: 2023.05.23 21:58:17 +05'30'

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 23-05-2023

CHETNA ANAND Digitally signed by CHETNA ANAND Date: 2023.05.23 22:06:02 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23-05-2023

Nureca Limited
Consolidated Statement of Profit and Loss for year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

	Particulars	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
	Income			
I	Revenue from operations	22	1,113.23	2,555.48
II	Other income	23	71.05	76.95
III	**Total income (I + II)**		**1,184.28**	**2,632.43**
IV	**Expenses**			
	Cost of material consumed	24 (a)	35.18	-
	Purchase of stock-in-trade	25	412.42	1,595.51
	Changes in inventories of stock-in-trade	26	307.71	(269.27)
	Employee benefits expense	27	160.59	99.14
	Finance costs	28	4.50	7.41
	Depreciation and amortization expense	29	23.88	14.82
	Other expenses	30	347.42	575.01
	Total expenses (IV)		**1,291.70**	**2,022.62**
V	**(Loss)/profit before tax (III-IV)**		**(107.42)**	**609.81**
VI	**Tax expense:**			
(i)	Current tax	32	1.16	155.70
(ii)	Deferred tax	32	(26.08)	4.51
	Total tax expense		**(24.92)**	**160.21**
VII	**(Loss)/profit for the year (V-VI)**		**(82.50)**	**449.60**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
(i)	Remeasurement of defined benefit obligation		(0.77)	1.90
	Income tax relating to remeasurement of defined benefit obligation		0.19	(0.48)
	Items that will be reclassified to profit or loss			
(i)	Exchange differences on translating the financial statements of a foreign operation		(0.09)	(0.01)
	Total other comprehensive income/(loss) for the year (net of tax)		**(0.67)**	**1.41**
IX	**Total comprehensive income for the year (VII+VIII)**		**(83.17)**	**451.01**
	Earnings per equity share			
	Basic and diluted [nominal value of INR 10 per share]	33	(8.25)	44.96
	Significant accounting policies	2		
	Notes to the consolidated financial statements	3-45		

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

As per our report of even date attached.

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

ANKUSH GOEL
Digitally signed by ANKUSH GOEL
Date: 2023.05.23 22:24:44 +05'30'

Ankush Goel
Partner
Membership Number : 505121

Place: New Delhi
Date: 23-05-2023

For and on behalf of Board of Directors of
Nureca Limited

SAURABH GOYAL
Digitally signed by SAURABH GOYAL
Date: 2023.05.23 21:51:29 +05'30'

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 23-05-2023

ARYAN GOYAL
Digitally signed by ARYAN GOYAL
Date: 2023.05.23 21:55:24 +05'30'

Aryan Goyal
Whole-time director & CEO
DIN : 00002869
Place: Chandigarh
Date: 23-05-2023

NISHANT GARG
Digitally signed by NISHANT GARG
DN: c=IN, o=Personal, pseudonym=bc8d1f0e62e75659032d82d03783d130d1dfa87a1f2f110ab3c4dc002f39b12a, postalCode=142026, st=PUNJAB, serialNumber=bc98938161d11fa040075ea8d07676035c8f751ca244f77529a6e5464850001b, cn=NISHANT GARG
Date: 2023.05.23 21:59:06 +05'30'

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 23-05-2023

CHETNA ANAND
Digitally signed by CHETNA ANAND
Date: 2023.05.23 22:06:23 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23-05-2023

Nureca Limited

Consolidated Statement of Cash Flow for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

	Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
A	**Cash flows from operating activities**		
	(Loss)/profit before tax for the year	**(107.42)**	**609.81**
	Adjustments for:		
	Depreciation and amortization expense	23.88	14.82
	Income on unwinding of security deposits	(0.03)	(0.07)
	Unrealized foreign exchange (gain)	(0.03)	(0.65)
	Finance costs	4.50	7.41
	Loss allowance	0.25	-
	Provision for doubtful advance	3.25	-
	Interest income	(42.16)	(52.33)
	Gain on mutual funds (Net)	(24.44)	(6.51)
	Operating cash flows before working capital changes	**(142.20)**	**572.48**
	Working capital adjustments		
	Decrease/(increase) in inventories	287.00	(264.01)
	(Increase) in trade receivables	(13.76)	(26.14)
	Increase/(decrease) in trade payables	1.77	(39.59)
	Decrease / (increase) in other current assets	26.14	(42.71)
	(Decrease) in other financial liabilities	(0.22)	-
	(Decrease) in other current liabilities	(18.58)	(9.04)
	Increase in provisions	3.59	2.51
	Cash generated from operating activities	**143.74**	**193.50**
	Income tax paid (net)	(41.47)	(179.51)
	Net cash generated from operating activities (A)	**102.27**	**13.99**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(3.96)	(34.04)
	Purchase of intangible assets under development	-	(1.21)
	Purchase of intangible Assets	-	(24.74)
	Interest received	12.23	40.41
	Purchase of mutual funds	(424.81)	(355.21)
	Sale of mutual funds	190.25	29.86
	Fixed deposits matured (Net)	61.73	314.04
	Net cash (used in) investing activities (B)	**(164.56)**	**(30.89)**
C	**Cash flows from financing activities**		
	Payment of lease liabilities (including interest)	(14.01)	(9.53)
	Interest paid	(1.12)	(4.34)
	(Repayment) of non-current borrowings	-	(7.79)
	(Repayment)/ proceeds from current borrowings (net)	0.06	(1.43)
	Dividend paid	-	(49.93)
	Net cash (used in)/ generated from financing activities (C)	**(15.07)**	**(73.02)**
	Net (decrease) in cash and cash equivalents (A+B+C)	(77.36)	(89.92)
	Effect of exchange rate fluctuations on cash & cash equivalents held in foreign currency	(0.09)	(0.01)
	Cash and cash equivalents at the beginning of the year	**82.49**	**172.42**
	Cash and cash equivalents at the end of the year	**5.04**	**82.49**

Notes:

1.	**Components of cash and cash equivalents**		
	Balances with banks:		
	- In current accounts	5.04	2.49
	- Fixed deposits with original maturity upto three months	-	80.00
		5.04	**82.49**

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 2.3.16.

3. Refer note 15(c) for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies 2

Notes to the consolidated financial statements 3-45

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

As per our report of even date attached

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

ANKUSH GOEL — Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:25:11 +05'30'

Ankush Goel
Partner
Membership Number : 505121

Place: New Delhi
Date: 23-05-2023

For and on behalf of Board of Directors of
Nureca Limited

SAURABH GOYAL — Digitally signed by SAURABH GOYAL Date: 2023.05.23 21:51:43 +05'30'

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 23-05-2023

ARYAN GOYAL — Digitally signed by ARYAN GOYAL Date: 2023.05.23 21:55:11 +05'30'

Aryan Goyal
Whole-time director & CEO
DIN : 00002869
Place: Chandigarh
Date: 23-05-2023

NISHANT GARG — Digitally signed by NISHANT GARG

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 23-05-2023

CHETNA ANAND — Digitally signed by CHETNA ANAND Date: 2023.05.23 22:06:45 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23-05-2023

Nureca Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

A Equity share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	1,00,00,175	100.00	1,00,00,175	100.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	**1,00,00,175**	**100.00**	**1,00,00,175**	**100.00**

B Other equity (Refer note 14)

Particulars	Reserves and surplus			Other comprehensive income	Total equity
	Capital reserve	Securities premium	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1 April 2021	**(12.96)**	**987.79**	**556.13**	**0.02**	**1,530.97**
Total comprehensive income for the year					
Add : Profit for the year	-	-	449.60	-	449.60
Add : Other comprehensive income/loss (net of tax) for the year	-	-	1.42	(0.01)	1.41
Total comprehensive income for the year	**(12.96)**	**987.79**	**1,007.15**	**0.01**	**1,981.98**
Transactions with owners, recorded directly to equity					
Less: Final dividend paid for financial year 2020-2021	-	-	(20.00)	-	(20.00)
Less: Interim dividend paid for financial year 2021-2022	-	-	(30.00)	-	(30.00)
Balance as at 31 March 2022	**(12.96)**	**987.79**	**957.15**	**0.01**	**1,931.98**

Particulars	Reserves and surplus			Other comprehensive income	Total equity
	Capital reserve	Securities premium	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1 April 2022	**(12.96)**	**987.79**	**957.15**	**0.01**	**1,931.99**
Total comprehensive income for the year					
Add : Loss for the year	-	-	(82.50)	-	(82.50)
Add : Other comprehensive income/loss (net of tax) for the year	-	-	(0.58)	(0.09)	(0.67)
Total comprehensive income for the year	**(12.96)**	**987.79**	**874.07**	**(0.08)**	**1,848.82**
Balance as at 31 March 2023	**(12.96)**	**987.79**	**874.07**	**(0.08)**	**1,848.82**

Significant accounting policies

Notes to the consolidated financial statements

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

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

ANKUSH GOEL
Digitally signed by ANKUSH GOEL
Date: 2023.05.23 22:25:43 +05'30'

Ankush Goel
Partner
Membership Number : 505121

Place: New Delhi
Date: 23-05-2023

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

SAURABH GOYAL
Digitally signed by SAURABH GOYAL
Date: 2023.05.23 21:51:55 +05'30'

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 23-05-2023

ARYAN GOYAL
Digitally signed by ARYAN GOYAL
Date: 2023.05.23 21:54:58 +05'30'

Aryan Goyal
Whole-time director & CEO
DIN : 00002869
Place: Chandigarh
Date: 23-05-2023

NISHANT GARG
Digitally signed by NISHANT GARG
DN: c=IN, o=Personal, pseudonym=bc8d1f0e62e75659032d82d03783d130d1dfa87a1f2f110ab3c4dc002f39b12a, postalCode=142026, st=PUNJAB, serialNumber=bc98938161d11fa040075ea8d07676035c8f751ca244f77529a6e5464850001b, cn=NISHANT GARG
Date: 2023.05.23 22:01:20 +05'30'

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 23-05-2023

CHETNA ANAND
Digitally signed by CHETNA ANAND
Date: 2023.05.23 22:07:01 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23-05-2023

Note 1. Corporate information

Nureca Limited ("the holding Company") and its subsidiaries, (collectively, the Group), is a public limited company which is domiciled and incorporated in Republic of India under the provisions of the Companies Act, 2013 (CIN L24304MH2016PLC320868) on 02 November 2016 . The Company was converted into a public company with effect from 08 July 2020 with registered office situated at 101 Office 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 Group is engaged in the business of home healthcare and wellness products.

Note 2. Significant accounting polices

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

2.1 Basis of preparation

a. Statement of compliance

These consolidated 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 consolidated financial statements for the year ended 31 March 2023 were approved for issue by the Company's Board of Directors on 23 May 2023.

b. Functional and presentation currency

Items included in these Consolidated Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The consolidated 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.

a. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets	Fair value

b. Use of estimates and judgments

The estimates used in the preparation of the Consolidated Financial Statements of each year presented are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Group regularly assesses these estimates, actual results could differ 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 Consolidated Financial Statements in the period in which they become known.

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

Significant judgements

Determining lease term of contract for duration of lease (refer note 4)

Significant estimates

- *Recoverability of deferred taxes (refer note. 2.12 or 29d)*

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.

- *Defined benefit plans (refer note. 2.13 and 32)*

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 (refer note 2.4 and 3a)*

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

- *Useful lives of intangible assets (refer note 2.5 and 3b)*

  The Company review the estimated useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

c. Current vs non-current classification

The Group 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 Group classifies all other assets as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

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

d. Measurement of fair values

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

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

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these consolidated financial statements is included in the note 38.

2.2 Basis of consolidation

(a) Combine like items of assets, liabilities, equity, income, expenses, other comprehensive income and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated Profit & Loss, if any.

Foreign operations

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

The Consolidated Ind AS financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

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

The detail of consolidated entity as follows:

Name of subsidiary	**Country of incorporation**	**Percentage of ownership**	
		As at 31 March 2023	**As at 31 March 2022**
Nureca Inc.	USA	100%	100%
Nureca Healthcare Private Limited*	India	100%	100%
Nureca Technologies Private Limited $	India	100%	100%

2.3 Financial instruments

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

a. *Financial assets*

Initial recognition and measurement

A financial asset (unless it is a trade receivable without a significant financing components) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in Statement of Profit and Loss.

<u>Classification and subsequent measurement</u>

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 Group 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.

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

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

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

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

Financial assets at amortised cost

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

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

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

<u>Derecognition of financial assets</u>

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

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

b. *Financial liabilities*

Initial recognition and measurement

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

Subsequent measurement

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

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

The Group has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortized cost

After initial recognition, borrowings, trade payables and other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense is recognized in the 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 Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

d. *Offsetting of financial instruments*

Financial assets and financial liabilities are offset, and the net amount is reported in the 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.

2.4 Property, plant and equipment

Recognition and Initial Measurement

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

Cost of asset includes:

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

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

Subsequent measurement

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

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.

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.

2.5 Intangible assets

Recognition and measurement

Other intangible assets, including those acquired by the Company in a business combination and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated assets, is recognised in profit or 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.

The estimated useful lives are as follows

- Software - 3 years
- Mobile application - 10 years

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

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually

2.6 Leases

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

Leases in which the Group is a lessee

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

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

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

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

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

2.7 Impairment

a. Impairment of financial assets

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

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

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

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

<u>Measurement of expected credit losses</u>

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

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

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

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

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

<u>Presentation of allowance for expected credit losses in the balance sheet</u>

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

<u>Write-off</u>

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

b. Impairment of non-financial assets

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

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

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

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

2.8 Inventories

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

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

2.9 Foreign currency transactions

Initial recognition

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

Measurement at the reporting date

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

2.10 Revenue recognition

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

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

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligation in contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

I. Sale of products

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

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

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

The goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue. Additionally amount disclosed as revenue are excluding taxes and net of return rebate, allowance etc.

II. Contract balances

Trade receivables: A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

III. Right of return

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

The Group has 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.

2.11 Recognition of dividend, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established

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

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

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

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

2.12 Taxes

a) Current tax

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

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

b) Deferred tax

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

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

Deferred tax is recognized in Statement of Profit and Loss except to the extent it relates to items recognized outside profit or loss, in which case 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.

2.13 Employee benefits

Short-term employee benefits

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

a) Post-employment benefits

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

  The Group makes specified monthly contribution to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme (‘ESI’) which is a defined contribution plan. The Group’s contribution is recognized as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

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

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

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

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

  Re-measurement, comprising actuarial gains and losses, is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to 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 Group recognizes related restructuring costs or termination benefits.

b) Other employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the obligation as at the Balance Sheet date . The cost of providing benefits is measured on the basis of an annual independent actuarial valuation using the projected unit credit method at each balance sheet date. Actuarial gains or losses are recognised in Statement of Profit and Loss in the year in which they arise. Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognized in the Statement of Profit and Loss as employee benefit expenses.

2.14 Provisions, contingent assets and contingent liabilities

Provisions

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

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

Onerous contracts

A provision for onerous contract is recognised when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the group recognises any impairment loss on assets associated.

Contingent liabilities

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

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

Contingent assets

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.
Provisions, contingent liabilities, and contingent assets are reviewed at each Balance Sheet date.

2.15 Segment reporting

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

The business of the Group falls within a single line of business i.e. business of home healthcare and wellness products. All other activities of the Group revolve around its main business.

2.16 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.

2.17 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 Group are segregated.

2.18 Earnings per share

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

2.18 Equity

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

2.19 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ('MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Rules,2015 by issuing the Companies (Indian Accounting Standards) Amendmends Rules, 2023, applicable from 1 April 2023 as below :

(i) Ind AS 1 - Presentation of Financial Statements
The amendments requires companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose

financial statements. The company does not expect this amendment to have any significant impact in its financial statements.

(ii) Ind AS 12 - Income Tax
The amendment clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

(ii) Ind AS 8 - Accounting policies, Change in Accounting Estimates and Errors
The amendment will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimate has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The company is evaluating the impact of these amendments on financial statements.

The Group is in the process of evaluating its impact on consolidated financial statements.

Nureca Limited
Notes to the Consolidated Financial Statements for year ended 31 March 2023
(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 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Charge for the year	Disposals	As at 31 March 2023	As at 31st March 2022	As at 31 March 2023
Leasehold Improvement	7.25	0.71	-	7.96	0.23	0.88	-	1.11	7.02	6.85
Furniture and fixtures	9.96	0.39	-	10.35	0.99	1.11	-	2.10	8.97	8.25
Office equipment	4.68	0.79	-	5.47	1.42	0.98	-	2.40	3.26	3.07
Computers	6.27	0.24	(0.60)	5.92	2.12	1.64	(0.02)	3.74	4.15	2.17
Plant & Machinery	3.68	1.83	-	5.51	0.19	1.07	-	1.26	3.49	4.25
Vehicle	11.77	-	-	11.77	1.88	3.13	-	5.01	9.89	6.76
Total	**43.61**	**3.96**	**(0.60)**	**46.98**	**6.83**	**8.82**	**(0.02)**	**15.63**	**36.78**	**31.35**

Particulars	Gross carrying amount				Accumulated depreciation				Net block	
	As at 1 April 2021	Additions	Disposals	As at 31st March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31st March 2022	As at 31 March 2021	As at 31st March 2022
Leasehold Improvement	-	7.25	-	7.25	-	0.23	-	0.23	-	7.02
Furniture and fixtures	4.48	5.48	-	9.96	0.38	0.61	-	0.99	4.10	8.97
Office equipment	2.84	1.84	-	4.68	0.64	0.78	-	1.42	2.20	3.26
Computers	1.80	4.47	-	6.27	1.00	1.12	-	2.12	0.80	4.15
Plant & Machinery	0.45	3.23	-	3.68	0.01	0.18	-	0.19	0.44	3.49
Vehicle	-	11.77	-	11.77	-	1.88	-	1.88	-	9.89
Total	**9.57**	**34.04**	**-**	**43.61**	**2.03**	**4.80**	**-**	**6.83**	**7.54**	**36.78**

Capital work in progress

Particulars	As at 1 April 2021	Additions	Capitalization	As at 31 March 2022	As at 1 April 2022	Additions	Capitalization	As at 31 March 2023
Leasehold improvement	-	6.30	6.30	-	-	-	-	-
Total	-	6.30	6.30	-	-	-	-	-

Note 3b - Intangible assets

Particulars	Gross carrying amount				Accumulated amortisation				Net block	
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Charge for the year	Disposals	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023
Software	0.49	0.91	-	1.40	0.01	0.32	-	0.33	0.48	1.07
Mobile application (internally generated)	24.25	4.23	-	28.48	0.81	2.61		3.42	23.44	25.06
Total	**24.74**	**5.14**	**-**	**29.88**	**0.82**	**2.93**	**-**	**3.75**	**23.92**	**26.13**

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

(Amount in INR million, unless otherwise stated)

Note 3c - Intangible asset under development

Particulars	As at 1 April 2021	Additions	Capitalization	As at 31 March 2022	As at 1 April 2022	Additions	Capitalization	As at 31 March 2023
Mobile application (internally generated)	3.02	25.46	24.25	4.23	4.23	-	4.23	-
Total	**3.02**	**25.46**	**24.25**	**4.23**	**4.23**	**-**	**4.23**	**-**

Intangible assets under development ageing schedule

As at 31 March 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Mobile application (internally generated)	-	-	-	-	-

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

(Amount in INR million, unless otherwise stated)

Note 4 - Right-of-use assets

The Group has entered into agreements for leasing corporate office and warehouses on lease. The leases typically run for a period of 1-9 years with lock in term of 3 years.

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

Right-of-use assets	**As at 31 March 2023**	**As at 31 March 2022**
Balance as at beginning of the year	**41.19**	**29.29**
Additions	-	21.10
Depreciation for the year	(12.13)	9.20
Balance as at end of the year	**29.06**	**41.19**

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 2023**	**As at 31 March 2022**
Current	12.22	10.48
Non- current	20.32	32.81
Total	**32.54**	**43.29**

	As at 31 March 2023	**As at 31 March 2022**
Balance as at beginning of the year	**43.29**	**28.87**
Additions	-	20.86
Accreditation of interest	3.26	3.09
Payment of lease liabilities	(14.01)	(9.53)
Balance as at end of the year	**32.54**	**43.29**

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

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

Maturity analysis – contractual undiscounted cash flows	**As at 31 March 2023**	**As at 31 March 2022**
Less than one year	14.53	13.74
After one year but not longer than three years	12.59	27.21
More than three years	11.63	17.54
Total	**38.75**	**58.49**

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

g. The Group has also taken certain office premises and office equipment on lease with contract terms within one year. These leases are short-term and/or leases of low-value items. The Group has elected not to 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 has been applied have been charged to the Statement of Profit.

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

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
Expenses relating to short-term leases and/or leases of low-value items	10.24	6.41
Interest on lease liabilities	3.26	3.09
Depreciation expense	12.13	9.20
Total	**25.63**	**18.70**

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

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
Total cash outflow for leases including short term leases/leases of low-value item and variable lease payments	**24.25**	**15.94**

Note 5-Investments

Current Investments

In Other Companies (quoted investment at fair value)

- Mutual Fund		
74,698.12 (31 March 2022 : 74,698.12) Units in ICICI Pru Savings Fund -Direct	34.55	32.70
8,08,160.46 (31 March 2022 : 8,08,160.46) Units in ICICI Pru Short Term Fund -Direct Plan- Growth	43.94	41.25
3,03,848 (31 March 2022 : 3,03,848) Units in ICICI Prudential Medium Term Bond Fund - Direct Plan - Growth	12.35	11.68
1,75,104.81 (31 March 2022 : 1,75,104.81) Units in ICICI Pru Equity- Arbitrage Fund - Direct	5.42	5.13
Nil (31 March 2022 : 1,12,342.05) Units in ICICI Pru Floating interest Fund-Direct	-	40.52
1,48,727.30 (31 March 2022 : Nil) Units in ICICI Pru Liquid Fund	49.55	-
29,21,648.13 (31 March 2022 : 8,01,918.36) Units in SBI Short Term Debt Fund-Direct2	83.28	21.84
Nil (31 March 2022 : 19,800.31) Units in Axis Floater Fund-Direct	-	20.35
6,244.04 (31 March 2022 : Nil) Units in SBI Nifty Index Fund	0.98	-
301.11 (31 March 2022 : Nil) Units in SBI Gold fund Direct Plan	0.01	-
1,07,057.98 (31 March 2022 : 1,07,057.98) Units in Kotak Equity- Arbitrage Fund - Direct	3.59	3.39
29,470.40 (31 March 2022 : 11,026.59) Units in Kotak Corporate Bond Fund - Direct	96.55	34.54
Nil (31 March 2022 : 43,851.28) Units in Kotak Floating Rate Fund-Direct	-	53.82
3,94,011 (31 March 2022 : Nil) Units in Kotak Saving fund Direct Plan	15.00	-
11,925.87 (31 March 2022 : 6,995.33) Units in Kotak Low Duration Fund-Direct	36.50	20.30
41,423.47 (31 March 2022 : 41,423.47) Units in HDFC Low Duration Fund-Direct - Growth Option	2.18	2.06
23,10,606.11 (31 March 2022 : 23,10,606.11) Units in HDFC Banking And PSU Debt Fund-Direct	46.26	44.28
256.27 (31 March 2022 : Nil) Units in Mirae Asset Focused Fund - Direct	-	-
5,10,376.18 (31 March 2022 : Nil) Units in Navi US Total Stock Market	5.32	-
110.66 (31 March 2022 : Nil) Units in Canara Robeco Blue Chip	0.01	-
180.56 (31 March 2022 : Nil) Units in PGIM India Flexi Cap Fund Direct	0.01	-
1,27,12,375.41 (31 March 2022 : Nil) Units in Edelweiss Mutual Fund - Bharat Bond FOF - April 2023 - Direct Plan	155.35	-
	590.85	**331.86**

Aggregate book value of quoted investments	590.85	331.86
Aggregate market value of quoted investments	590.85	331.86
Aggregate value of unquoted investments	-	-
Aggregate value of impairment in value of non-current investments	-	-

(Amount in INR million, unless otherwise stated)

Note 6 - Other financial assets

	As at 31 March 2023	As at 31 March 2022
Non-current		
Security deposits	2.89	2.74
Bank deposits maturing after twleve months	72.36	19.50
	75.25	**22.24**

	As at 31 March 2023	As at 31 March 2022
Current		
Interest accrued not due on fixed deposits	-	28.10
Bank deposits due within twelve months	19.50	-
Security deposits	0.02	0.05
Receivable from online marketplace portals**	21.46	39.23
	40.98	**67.38**

**Represent receivable in relation to sale made through online marketplace by business partner.

Note 7- Other tax asset (net)

	As at 31 March 2023	As at 31 March 2022
(a) Non-Current		
Advance income-tax (net of provision)	11.09	-
(b) Current		
Advance income-tax (net of provision)	9.32	
	20.41	**-**

Note 8 - Inventories
(At lower of cost and net realizable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials	17.08	-
Stock-in-trade	327.48	631.77
Finished goods	0.21	-
	344.77	**631.77**
Notes:		
Includes goods-in-transit	32.72	27.90

Note 9 - Trade receivables

	As at 31 March 2023	As at 31 March 2022
From others	43.20	28.94
Less: expected credit loss allowance	(0.25)	-
	42.95	**28.94**
Break-up of trade receivables:		
Trade receivables considered good - unsecured	42.95	28.94
Trade receivables - credit impaired	0.25	-
	43.20	**28.94**
Less: loss allowance		
Trade receivables - credit impaired	(0.25)	-
Trade receivables net	**42.95**	**28.94**

Trade receivables ageing schedule

As at March 31, 2023	**Outstanding for the following period from due date of payments**							
	unbilled	**not due**	**< 6 months**	**6 months to 1 year**	**1 year to 2 years**	**2 year to 3 years**	**> 3 years**	**Total Net receivable**
Undisputed trade receivables- considered good	-	41.15	1.52	0.01	0.27	-	-	42.95
Undisputed trade receivables- having significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	0.20	0.05	-	-	0.25
Disputed trade receivables- considered good	-	-	-	-	-			-
Disputed trade receivables- having significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**41.15**	**1.52**	**0.21**	**0.32**	**-**	**-**	**43.20**

As at March 31, 2022	**Outstanding for the following period from due date of payments**							
	unbilled	**not due**	**< 6 months**	**6 months to 1 year**	**1 year to 2 years**	**2 year to 3 years**	**> 3 years**	**Total Net receivable**
Undisputed trade receivables- considered good	-	26.64	1.99	-	0.31	-	-	28.94
Undisputed trade receivables- having significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-			-
Disputed trade receivables- having significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**26.64**	**1.99**	**-**	**0.31**	**-**	**-**	**28.94**

(Amount in INR million, unless otherwise stated)

Movement in expected credit loss allowance of trade receivable

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	-	0.56
Balance written of during the year	-	(0.56)
Additions during the year	0.25	-
Balance at the end of the year	**0.25**	**-**

Note 10- Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balances with bank		
- In current accounts	5.04	2.49
- Fixed deposits with original maturity upto three months	-	80.00
	5.04	**82.49**

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

Balances with bank:		
- In current accounts	5.04	2.49
- Fixed deposits with original maturity upto three months	-	80.00
	5.04	**82.49**

Note 11 - Other bank balances

	As at 31 March 2023	As at 31 March 2022
Bank deposits *	704.49	760.96
Balance in unclaimed dividend accounts	0.13	0.07
	704.62	**761.03**

*Includes restricted deposits of Rs. 299.26 (31 March 2022: Rs. 248.21) pledged as security for letter of credit and bank guarantee.

Note 12 - Other current assets

	As at 31 March 2023	As at 31 March 2022
Balances with government authorities	97.32	133.78
Prepaid expenses	5.62	1.50
CSR Asset	8.71	0.30
Advances to suppliers	12.10	15.77
Expenses recoverable from related parties	-	-
Right to recover returned goods	3.35	7.11
	127.10	**158.46**

(Amount in INR million, unless otherwise stated)

Note 13 - Equity share capital

Authorized		
11,000,000 (31 March 2022: 11,000,000) equity shares of INR 10 each	110.00	110.00
	110.00	110.00
Issued, subscribed and paid-up		
10,000,175 (31 March 2022: 10,000,175) equity shares of INR 10 each fully paid up	100.00	100.00
	100.00	100.00

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

As per the memorandum of association, the Group's authorized share capital consist of equity shares. All equity shares rank equally with regard to dividends and share in the Group'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 Group. On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, 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 2023		As at 31 March 2022	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance at the beginning of the year	1,00,00,175	100.00	1,00,00,175	100.00
Balance at the end of the year	**1,00,00,175**	**100.00**	**1,00,00,175**	**100.00**

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

	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	**% holding in the class**	**No. of Shares**	**% holding in the class**
Payal Goyal	27,98,427	27.98	34,99,979	35.00
Saurabh Goyal	34,99,979	35.00	34,99,979	35.00
Nexpact Limited	-	-	7,50,454	7.50
	62,98,406	**62.98**	**77,50,412**	**77.50**

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 2023 Numbers of shares**	**31 March 2022 Numbers of shares**	**31 March 2021 Numbers of shares**	**31 March 2020 Numbers of shares**	**31 March 2019 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 Honourable National Company Law Tribunal ('NCLT') for the scheme of arrangement ('Scheme') among Nectar Biopharma Private Limited (demerged company) and Nureca Private Limited (resulting company) and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of the Companies Act 2013, with effect from appointed date of 1 April 2019, the Company had cancelled 10,000 shares and issued 1,000,000 shares for consideration other than cash on 10 June 2020.

e) **Initial public offer**

During the year ended 31 march 2021 the Group had made Initial Public Offering of 2,500,175 equity shares of face value of Rs. 10 each for cash consisting 2,496,675 equity shares to public other than employees at a price of Rs. 400 per equity share (including a share premium of Rs. 390 per equity share) and 3,500 equity shares to the employees at a price of Rs. 380 per equity share (including a share premium of Rs. 370 per equity shares) aggregating to Rs. 1000.00 million. These equity shares were allotted on 23 February 2021 and the equity share of the Group got listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 25 February 2021.

f) **Promotors Shareholdings**

		As at 31 March 2023		As at 31 March 2022		
S.No.	**Promoter's name**	**No. of shares**	**% of total shares**	**No. of shares**	**% of total shares**	**% change during the year**
1	Payal Goyal	27,98,427	28%	34,99,979	0.35	0.20
2	Saurabh Goyal	34,99,979	35%	34,99,979	35%	0%
3	Aryan Goyal	7	0%	7	0%	0%
4	Smita Goyal	7	0%	7	0%	0%
5	Nectar Biopharma Private Limited	21	0%	21	0%	0%
	Total	62,98,441	63%	69,99,993	70%	20%

(Amount in INR million, unless otherwise stated)

Note 14 - Other equity

		As at 31 March 2023	As at 31 March 2022
a	**Capital reserve**		
	Balance at the beginning of the year	(12.96)	(12.96)
	Balance at the end of the year	**(12.96)**	**(12.96)**
b	**Security premium**		
	Balance at the beginning of the year	987.79	987.79
	Balance at the end of the year	**987.79**	**987.79**
c	**Retained earnings**		
	Balance at the beginning of the year	957.14	556.13
	Add: (Loss)/ profit for the year	(82.50)	449.60
	Add: Other comprehensive (loss)/ income for the year (remeasurement of defined benefit plans, net of tax)	(0.58)	1.41
	Less: Final dividend paid for financial year 2020-2021	-	(20.00)
	Less: Interim dividend paid for financial year 2021-2022	-	(30.00)
	Balance at the end of the year	**874.06**	**957.14**
d	**Foreign currency translation reserve**		
	Balance at the beginning of the year	0.01	0.02
	Less: Movement during the year	(0.09)	(0.01)
	Balance at the end of the year	**(0.08)**	**0.01**
	Total	**1,848.81**	**1,931.99**

Nature of reserves

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

b. 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.

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

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

(Amount in INR million, unless otherwise stated)

Note 15 - Borrowings

A. Current borrowings	Notes	As at 31 March 2023	As at 31 March 2022
Unsecured			
Inter corporate deposits			
- from related party (refer note 33)	(a)	0.82	0.76
		0.82	**0.76**

Notes:

(a) Inter corporate loan of INR 0.82 (31 March 2021: INR 0.76) from Nectar Biopharma Private Limited carrying interest rate of 8% (31 March 2022: 8%) per annum and are repayable by 31 March 2024.

B. Reconciliation of movements of liabilities to cash flows arising from financing activities	As at 31 March 2023	As at 31 March 2022
Borrowings at the beginning of the year (current and non-current borrowings)	0.76	10.01
Repayments of non-current borrowings	-	(9.25)
Borrowings at the end of the year (current and non-current borrowings)	**0.76**	**0.76**

Note 16 - Lease Liabilities

Non Current		
Lease liability (refer note 4)	20.27	43.29
	20.27	32.81
Current		
Current lease liability (refer note 4)	12.18	10.48
	12.18	10.48

Note 17 - Provisions

	As at 31 March 2023	As at 31 March 2022
(a) Non-current		
Provision for employee benefits:		
Provision for compensated absences	1.16	-
Provision for gratuity (refer note 32)	6.72	4.13
	7.88	**4.13**
(b) Current		
Provision for employee benefits:		
Provision for compensated absences	2.08	1.69
Provision for gratuity (refer note 32)	0.22	-
	2.30	**1.69**
	10.18	**5.82**

Note 18 - Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro and small enterprises #	2.91	3.61
Total outstanding dues of creditors other than micro and small enterprises #	46.99	43.60
	49.90	**47.21**
Of the above trade payable amount due to related parties are as below:		
Trade payable due to related parties (refer note 33)	3.42	1.55

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

Refer note 34

Trade payables ageing schedule	Outstanding for following periods from due date of payment						
As at 31 March 2023	**Unbilled**	**Not Due**	**< 1 years**	**1 year to 2 years**	**2 year to 3 years**	**> 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	-	2.91	-	-	-	-	2.91
Total outstanding dues of creditors other than micro enterprises and small enterprises	32.30	7.49	6.76	0.44	-	-	46.99
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**32.30**	**10.40**	**6.76**	**0.44**	**-**	**-**	**49.90**

(Amount in INR million, unless otherwise stated)

Trade payables ageing schedule	**Outstanding for following periods from due date of payment**						
As at 31 March 2022	**Unbilled**	**Not Due**	**< 1 years**	**1 year to 2 years**	**2 year to 3 years**	**> 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	-	3.61	-	-	-	-	3.61
Total outstanding dues of creditors other than micro enterprises and small	20.22	19.91	3.45	0.04	-	-	43.62
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small	-	-	-	-	-	-	-
Total	**20.22**	**23.52**	**3.45**	**0.04**	**-**	**-**	**47.21**

Note 19 - Other financial liabilities

	As at 31 March 2023	**As at 31 March 2022**
Unpaid Dividend	0.13	0.07
Interest accrued but not due on borrowings (refer note 33)	0.23	0.15
	0.36	**0.22**

Note 20 - Other current liabilities

	As at 31 March 2023	**As at 31 March 2022**
Advance from customer	3.49	9.38
Statutory liabilities	3.26	7.14
Refund liability	7.20	13.68
Payable to employees	8.64	11.24
	22.59	**41.44**

Note 21 - Current tax liabilities (net)

	As at 31 March 2023	**As at 31 March 2022**
Provision for tax (net of advance tax of INR 0.51 (31 March 2022: INR 330.33)	0.68	20.58
	0.68	**20.58**

(Amount in INR million, unless otherwise stated)

Note 22 - Revenue from operations	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Sale of products	1,113.23	2,555.48
	1,113.23	**2,555.48**

Notes:

a. Reconciliation of revenue recognized with the contract price is as follows:		
Contract price	1,172.97	2,715.11
Adjustments for:		
- Discounts and rebates	52.54	145.95
- Refund liability	7.20	13.68
Revenue recognized	**1,113.23**	**2,555.48**

b. Contract Balances		
Advance from customer, which are included in 'other current liabilities'	(3.49)	(9.38)
Refund liability, which are included in 'other current liabilities'	(7.20)	(13.68)

Contract liabilities represents amount received from customers as per the terms of purchase/sales order to deliver goods. Once the goods are delivered and control is transferred to customers the same Is adjusted accordingly.

c. Revenue from sale of products disaggregated by primary geographical market		
India	1,112.97	2,555.48
Outside India	0.26	-
Total revenue from contracts with customers	**1,113.23**	**2,555.48**

d. **Timing of revenue recognisition:**		
Product transferred at a point in time	1,113.23	2,555.48
Revenue from contracts with customers	**1,113.23**	**2,555.48**

Note 23 - Other income	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Interest income under effective interest method		
- on bank deposits	42.16	52.33
- on loan given	0.02	-
Exchange gain on foreign exchange fluctuation (net)	1.83	15.52
Income on unwinding of security deposit	0.03	0.07
Rental Income	0.03	-
Gain on sale of Mutual Fund	24.44	6.51
Liability no longer required written back	-	1.06
Miscellaneous income	2.54	1.46
	71.05	**76.95**

Note 24 - Cost of materials consumed	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Inventory of raw material at the beginning of the year	0.13	-
Add: Purchases of raw materials	52.12	-
Less: Inventory of raw material at the end of the year	(17.08)	-
	35.18	-

Note 25- Purchase of stock-in-trade	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Purchase of stock-in-trade	412.42	1,595.51
	412.42	**1,595.51**

Note 26 - Changes in inventories of stock in trade	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Opening balance		
- Stock-in-trade	631.64	367.76
- Right to recover returned goods	7.11	1.85
Closing balance		
- Stock-in-trade	(327.48)	(631.77)
- Right to recover returned goods	(3.35)	(7.11)
- Finished Goods	(0.21)	-
	307.71	**(269.27)**

Note 27 - Employee benefits expense	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Salaries and wages	156.20	94.52
Contribution to provident and other funds (refer note 32)	3.43	2.96
Staff welfare expenses	0.96	1.66
	160.59	**99.14**

(Amount in INR million, unless otherwise stated)

Note 28 - Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on financial liabilities measured at amortised cost :		
- on borrowings	0.06	0.27
- on lease liabilities	3.30	3.09
Interest expense on income tax	-	1.00
Other borrowing cost	1.14	3.05
	4.50	**7.41**

Note 29 - Depreciation and amortization expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	8.82	4.80
Amortization of intangible assets	2.93	0.82
Depreciation on right-of-use assets	12.13	9.20
	23.88	**14.82**

Note 30 - Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Advertisement	35.98	117.38
Insurance	2.67	2.20
Communication expenses	1.76	1.93
Legal and professional fee	29.86	48.03
Rent	10.24	6.41
Travel and conveyance	17.57	11.54
Shifting and handling expenses	19.76	27.00
Security services	2.35	2.64
Loss allowance	0.25	0.62
Provision for doubtful advance	3.25	-
Commission and incentive	93.19	175.61
Packing expenses	11.19	13.51
Repairs and maintenance (Other)	1.98	3.35
Rates and taxes	1.82	4.59
Power and fuel	1.95	1.57
Freight charges	75.61	101.67
Donation	0.10	14.80
CSR expenditure	8.81	4.75
Business support service (refer note 33G)	9.05	15.13
Loss on derecognition of financial assets	2.55	7.16
Miscellaneous expenses	17.48	15.12
	347.42	**575.01**

(Amount in INR million, unless otherwise stated)

Note 31 - Other expenses (continued)

Payment to auditors (excluding goods and services tax)	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
As auditor:		
- Statutory audit	1.45	1.38
- Tax audit	0.38	0.35
- Limited review	1.08	0.90
- Reimbursement of expenses	0.07	0.12
Amount debited to Consolidated Statement of Profit and Loss	**2.98**	**2.76**
- Others services	0.52	0.21
Total payments	**3.50**	**2.96**

Note 32 - Tax expense

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
a. Amount recognized in Consolidated Statement of Profit and Loss:		
Current tax:		
- Current year	1.16	155.70
Deferred tax:		
- Attributable to origination and reversal of temporary differences	(26.08)	4.51
Total tax expense recognized	**(24.92)**	**160.21**
b. Reconciliation of effective tax rate		
(Loss)/profit before tax	**(107.42)**	**609.81**
Tax at India's statutory tax rate of 25.17%	(27.04)	153.49
Tax effect of non-deductible expenses	1.90	9.02
Brought forword taxes on which deferred tax assets was not created eariler	(0.52)	-
Prior period tax expense	0.41	-
Share of loss from subsidiaries	-	(2.30)
Effect of different tax rate in subsidiary	0.23	-
Others	0.09	-
Income tax expense recognized in the statement of profit and loss	**(24.92)**	**160.21**
c. Income tax expense recognized in other comprehensive income		
Arising on income and expenses recognized in other comprehensive income		
Remeasurement of defined benefit obligation	0.19	(0.48)
Total income tax recognized in other comprehensive income	**0.19**	**(0.48)**
Bifurcation of the income tax recognized in other comprehensive income into:-		
Items that will not be reclassified to profit or loss	0.19	(0.48)
	0.19	**(0.48)**

d. Deferred tax balances reflected in the Balance Sheet:	**As at 31 March 2023**	**As at 31 March 2022**
Deferred tax asset	36.02	3.80
Deferred tax liability	(8.73)	(2.79)
Deferred tax asset (net)	**27.29**	**1.01**

e. Movement in deferred tax balances

	As at 1 April 2022	**Recognized in Statement of Profit and**	**Recognized in Other Comprehensive Income**	**As at 31 March 2023**
Deferred tax asset				
Provision for employee benefits	1.62	1.03	0.19	2.65
Income tax losses		30.51		30.51
Expected credit loss allowance on advances and trade receivables	-	0.84	-	0.84
Unrealised profit on inventory	-	0.17		0.17
Refund liability	1.65	(0.68)	-	0.97
Lease liabilities net of ROU	0.53	0.35	-	0.88
Deferred tax asset (A)	**3.80**	**32.22**	**0.19**	**36.02**
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(1.15)	0.38	-	(0.77)
Mutual fund gain (unrealized gain)	(1.64)	(6.32)	-	(7.96)
Deferred tax liability (B)	**(2.79)**	**(5.94)**	**-**	**(8.73)**
Deferred tax asset (net) (A+B)	**1.01**	**26.28**	**0.19**	**27.29**

	As at 1 April 2021	**Recognized in Statement of Profit and Loss**	**Recognized in Other Comprehensive Income**	**As at 31 March 2022**
Deferred tax asset				
Provision for employee benefits	1.31	0.31	(0.48)	1.62
Expected credit loss allowance on trade receivables	0.14	(0.14)	-	-
Refund liability	4.21	(2.56)	-	1.65
Lease liabilities net of ROU	-	(0.06)	-	0.53
Deferred tax asset (A)	**5.66**	**(2.45)**	**(0.48)**	**3.80**
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(0.03)	(1.12)	-	(1.15)
Lease liabilities	(0.11)	0.11		-
Mutual fund gain (unrealized gain)		(1.64)	-	(1.64)
Deferred tax liability (B)	**(0.13)**	**(2.66)**	**-**	**(2.79)**
Deferred tax asset (net) (A+B)	**5.53**	**(5.11)**	**(0.48)**	**1.01**

(Amount in INR million, unless otherwise stated)

Note 33 - Earnings per share	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
i. (Loss)/profit for basic/diluted earning per share of face value of INR 10 each		
Loss/profit for the year	(82.50)	449.60
ii. *Calculation of Weighted average number of equity shares for (basic and diluted)*		
(a) Number of shares at the beginning of the year *	1,00,00,175	1,00,00,175
Weighted average number of equity shares outstanding during the year	1,00,00,175	1,00,00,175
Basic and diluted earnings per share (face value of INR 10 each)	**(8.25)**	**44.96**

Note 34 - 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 Group is engaged in business of home healthcare and wellness products in the domestic market only which is considered to be a single business segment / geographical segment.

Considering the nature of Group'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 2023	**For the year ended 31 March 2022**
Revenue from branded healthcare products	1,113.23	2,555.48
Total	**1,113.23**	**994.26**

b. Information about geographical areas

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

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
i. Revenue from customers		
India	1,112.97	2,555.48
Outside India	0.26	-
	1,113.23	**2,555.48**

	As at 31 March 2023	**As at 31 March 2022**
ii. Trade receivables		
India	42.95	28.94
Outside India	0.03	-
	42.98	**28.94**

iii) Non-current assets

There are no non-current assets outside india.

Note 35 - Employee benefits

a. Defined contribution plans

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

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
Contribution to provident and other funds (refer note 25)	3.43	2.96

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).

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

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

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

Salary inflation risk:
Higher than expected increases in salary will increase the defined benefit obligation.

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

(Amount in INR million, unless otherwise stated)

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

	As at 31 March 2023	As at 31 March 2022
i. Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	4.14	3.33
Interest cost	0.46	0.23
Current service cost	1.84	2.39
Past service cost	0.01	-
Benefits paid	(0.29)	(0.06)
Actuarial loss recognized in other comprehensive income		
- from changes in financial assumptions	0.05	(0.16)
- from changes in demographic assumptions	0.00	-
- from experience adjustments	0.72	(1.59)
Balance at the end of the year	**6.94**	**4.14**

	For the year ended 31 March 2023	For the year ended 31 March 2022
ii. Amount recognized in statement of profit and loss		
Interest cost	0.46	0.23
Current service cost	1.84	2.39
Past service cost	0.01	-
	2.31	**2.62**
iii. Remeasurements recognized in other comprehensive income		
Actuarial loss for the year on defined benefit obligation	0.77	(0.12)
	0.77	**(0.12)**

iv. Actuarial assumptions

(i) Economic assumptions

The principal assumptions arc 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 2023	As at 31 March 2022
Discount rate (per annum)	7.2%	7.3%
Future salary growth rate (per annum)	15%	15%
Expected average remaining working lives (years)	24.65	28.46

(ii) Demographic assumptions

	As at 31 March 2023	As at 31 March 2022
Retirement age (years)	58	58
Mortality rate	IALM 2012-14Ult	IALM 2012-14Ult
Attrition rate (per annum)	10%	10%

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Increase		
Discount rate (1% movement)	(0.65)	(0.48)
Future salary growth rate (1% movement)	0.48	0.42
Decrease		
Discount rate (1% movement)	0.77	0.58
Future salary growth rate (1% movement)	(0.43)	(0.38)

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 2023	As at 31 March 2022
Between 1 to 4years	1.88	0.56
Beyond 5 years	24.71	12.19
Total expected payments	**26.59**	**12.76**

vii. Weighted average duration of the defined benefit plan:

	As at 31 March 2023	As at 31 March 2022
Weighted average duration of the defined benefit plan (in years)	14.15	15.00

(Amount in INR million, unless otherwise stated)

Note 36 - Related parties

A. 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 (upto 10th Nov 21)
	Mr. Nishant Garg - Chief Financial Officer (w.e.f.16 June 2021)
	Ms. Chetna Ananad- Company Secretary (w.e.f.11 Nov 2021)
	Mr. Santosh Kumar Srivastava - Director Compliance (w.e.f. 16 June 2021 and upto 29 Sep 2021)
	Mr. Sushil Kumar Bhardwaj - Director Compliance (w.e.f. 12 Feb 2022 and upto 28 Feb 2022)
Relatives of KMPs	Mrs. Payal Goyal
	Mrs. Raman Goyal (refer note 33F)
	Mrs. 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)
Executive Directors	Mr. Rajinder Sharma (appointed w.e.f 28 May 2022)
Non Executive Directors	Mr. Vijay Kumar Sharma
	Mrs. Smita Goyal
	Ms. Ruchita Agarwal
	Ms. Charu Singh
	Mr. Rajinder Sharma (upto 3 June 2021)
	Mr. Nitin R.Bidikar
	Mr. Vikram Chaudhary

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 2023	For the year ended 31 March 2022
1	Reimbursement of expense paid by the Group	Nectar Biopharma Private Limited	-	7.06
2	Expenses Incurred by Entity on Behalf of Company	Nectar Biopharma Private Limited	-	0.91
3	Borrowings repaid	Mrs. Payal Goyal	-	3.90
		Mr. Saurabh Goyal	-	3.90
		Trumom Private Limited	-	1.46
4	Interest accrued during the year	Mrs. Payal Goyal	-	0.09
		Mr. Saurabh Goyal	-	0.09
		Trumom Private Limited #	-	0.00
5	Managerial remuneration *	Mr. Saurabh Goyal	18.00	15.26
6	Salary to KMPs and their relatives *	Mrs. Payal Goyal	13.68	11.40
		Mr. Aryan Goyal	15.86	11.43
		Mr. Gurvikram Singh	-	0.26
		Ms. Sakshi Mittal	-	0.16
		Mr. Nishant Garg	3.25	2.06
		Ms. Chetna Anand	1.28	0.50
		Mr. Santosh Kumar Srivastava	-	0.12
		Mr. Sushil Kumar Bhardwaj	-	0.03
		Mr. Rajinder Sharma	0.20	-
7	Sale of products	Mr. Aryan Goyal	0.01	-
		Mr. Saurabh Goyal #	0.00	-
8	Sitting Fee	Mr. Vijay Kumar Sharma	0.40	0.50
		Mrs. Smita Goyal	-	0.02
		Ms. Ruchita Agarwal	0.04	0.06
		Ms. Charu Singh	0.05	0.07
		Mr. Rajinder Sharma	-	0.02
		Mr. Nitin R.Bidikar	0.02	0.04
		Mr. Vikram Chaudhery	0.03	0.03
9	Commission and incentive	Nectar Biopharma Private Limited	-	2.62
10	Business support services	Nectar Biopharma Private Limited	-	11.47
11	Rent Income	DrTrust Charitable Trust	0.04	-
12	Rent Expenses	Mrs. Raman Goyal	0.96	0.19
13	Purchase of Fixed Asset	Nectar Life Sciences Limited	-	10.81
		Nectar Biopharma Private Limited	-	2.50
14	Contribution to corpus fund	Dr. Trust Charitable Trust	0.10	-

#Amount is immaterial

(Amount in INR million, unless otherwise stated)

* Break-up of compensation of key managerial personnel of the Company		
Short-term employee benefits	52.27	41.21
Post-employment benefits	3.36	1.91
Other long-term employee benefits	1.80	-
Total compensation paid to key management personnel	**55.63**	**43.12**

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 2023	As at 31 March 2022
1	Expenses recoverable	Nectar Biopharma Private Limited	-	0.08
2	Payable to employees	Mr. Saurabh Goyal	0.79	0.68
		Mr. Aryan Goyal	1.04	0.00
		Ms. Payal Goyal	0.76	0.58
		Mr. Nishant Garg	0.21	0.18
		Ms. Chetna Anand	0.10	0.07
		Mr. Rajinder Sharma	0.02	-
5	Trade payables	Nectar Biopharma Private Limited	-	1.55
6	Trade receivables	Dr. Trust Charitable Trust	-	-
7	Corpus fund	Dr. Trust Charitable Trust	0.10	-
8	Investments	Nureca INC	0.46	0.46
		Nureca Healthcare Private Limited	0.10	0.10
		Nureca Technologies Private Limited	30.00	30.00

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

E. Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions and within ordinary course of business.

Outstanding balances at the year-end are unsecured and interest free except borrowings and settlement occurs in cash.

F. Appointment of Nectar Biopharma Private Limited as an agent

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

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

Note 37 - 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 2023	As at 31 March 2022
(i)	The amounts remaining unpaid to micro, small and medium enterprises as at the end of the each		
	- Principal	2.91	3.61
	- Interest	-	0.09
(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.	0.15	0.15
(iv)	The amount of interest accrued and remaining unpaid at the end of each year	0.15	0.15
(v)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	0.15	0.15

(Amount in INR million, unless otherwise stated)

Note 38 - Financial instrument : fair value measurements

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

	Note	Level of hierarchy	As at 31 March 2023		As at 31 March 2022	
			Amortised Cost	Fair value through P&L	Amortised Cost	Fair value through P&L
Financial assets						
Investments						
-Investments in Mutual fund	a	1	-	590.85	-	331.86
Trade receivables	c		42.95	-	28.94	-
Cash and cash equivalents	c		5.04	-	82.49	-
Other bank balances	c		704.62	-	761.03	-
Other financial assets	c		40.98	-	67.38	-
			793.59	**590.85**	**939.84**	**331.86**
Financial liabilities						
Borrowings	b		0.82	-	0.76	-
Lease Liability	b		32.45	-	43.29	-
Trade payables	c		49.90	-	47.21	-
Other financial liabilities	c		0.36	-	0.22	-
			83.53	**-**	**91.48**	**-**

Notes:

a. Market value of quoted investment is taken as fair value.

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.

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. There has been no financial assets of financial liabilities that has been fair valued through OCI.

Note 39 - Financial risk management

Risk management framework

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risks, which are 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 Group does not expose to the risk of changes in market interest rates as Group's long and short term debt obligations are of fixed interest rate.

(b) Currency risk

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

The Group undertakes transactions denominated in foreign currencies and consequently, exposes to exchange rate fluctuations. The Group does not enter into trade financial instruments including 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 Group.

Exposure to currency risk :

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

	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in Foreign Currency	Amount in Indian Currency	Amount in Foreign Currency	Amount in Indian Currency
Trade Receivables #	AED	0.00	0.03	-	-
Trade payables	USD	0.32	26.37	0.16	11.73

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

#immaterial

Sensitivity analysis:

The following table details the Group's sensitivity to a 5% increase and decrease in the INR against relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the 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 2023				
USD 5% movement	1.32	(1.32)	0.99	(0.99)
AED 5% movement #	0.00	(0.00)	0.00	(0.00)
As at 31 March 2022				
USD 5% movement	0.59	(0.59)	0.44	(0.44)

Amount is immaterial

(Amount in INR million, unless otherwise stated)

(ii) Credit risk

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

(a) Trade receivables

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

Based on internal assessment which is driven by the historical experience/current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is 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 2023	As at 31 March 2022
Not due	41.16	26.65
90-180 days	1.52	1.99
More than 180 days	0.27	0.30
Total	42.95	**28.94**

Movement in expected credit loss allowance of trade receivable	**As at 31 March 2023**	**As at 31 March 2022**
Balance at the beginning of the year	-	0.56
Balance written of during the year	-	(0.56)
Additions during the year	0.25	-
Balance at the end of the year	**0.25**	**-**

(b) Cash and cash equivalents and deposits with banks

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

(c) Security deposits

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

(iii) Liquidity risk

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

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

As at 31 March 2023	**Carrying amount**	**On demand**	**Upto 1 Year**	**1-3 year**	**More than 3 years**	**Total**
Borrowings (excluding lease liabilities)	0.95	-	1.03	-	-	1.03
Other financial liabilities (excluding lease liabilities)	0.36	-	0.36	-	-	0.36
Trade payables	49.90	-	49.90	0.44	-	50.34
Lease liabilities	32.45	-	14.53	12.59	11.63	38.75
Total	**83.66**	**-**	**65.82**	**13.03**	**11.63**	**90.48**
As at 31 March 2022	**Carrying amount**	**On demand**	**Upto 1 Year**	**1-3 year**	**More than 3 years**	**Total**
Borrowings (excluding lease liabilities)	0.76	-	0.82	-	-	0.82
Other financial liabilities (excluding lease liabilities)	0.15	-	0.22	-	-	0.22
Trade payables	47.21	-	47.17	0.04	-	47.21
Lease liabilities	43.29	-	13.74	27.21	17.54	58.49
Total	**91.41**	**-**	**61.95**	**27.25**	**17.54**	**106.74**

(iv) Excessive risk concentration

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

Note 40 - Capital risk management

(a) Risk Management

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

The 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 2023**	**As at 31 March 2022**
Trade payables (Refer note 19)	49.90	43.60
Borrowings (Refer note 14)	0.95	44.05
Less: cash and cash equivalents (Refer note 9)	5.04	82.49
Net debt	**45.81**	**5.16**
Equity share capital (Refer note 12)	100.00	100.00
Other equity (Refer note 13)	1,848.82	1,931.98
Total capital	**1,948.82**	**2,031.98**
Capital and net debt	1,994.63	2,037.14
Gearing ratio	**2.30%**	**0.25%**

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

Note 41- Contingent liabilities and commitmentrs (to the extent not provided for)

(a) Claims against Group not acknowledged as debts

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Income tax matters	0.21	-

Income tax matters

No tax expense has been accrued in financial statements for the tax demand raised.The Group is contesting the demand and the management believes that the ultimate outcome of the proceeding will not have a material adverse effect on the company's financial position and results of operations.

Pursuant to judgement by the Hon'ble Supreme Court dated 28 February 2019, it was held that basic wages for the purpose of provident fund, to include special allowances which are common for all employees. However there is uncertainty with respect to the applicable of the judgement and period from which the same applies. The Group has estimated the impact of the same from post 28 February 2019 and recognized in the financial statement. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Group 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.

(Amount in INR million, unless otherwise stated)

Note 42- Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III

As at 31 March 2023

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Nureca Limited	100.17%	1,952.10	102.72%	(84.75)	86.71%	(0.58)	102.60%	(85.33)
Subsidiary								
Nureca Inc, U.S.A.	-0.08%	(1.57)	0.97%	(0.80)	13.45%	(0.09)	1.07%	(0.89)
Nureca Healthcare Private Limited, India	0.00%	(0.06)	0.07%	(0.06)	0.00%	-	0.07%	(0.06)
Nureca Technologies Private Limited, India	1.50%	29.14	-4.03%	3.32	-	-	-3.99%	3.32
Elimination	-1.58%	(30.79)	0.26%	(0.21)	-0.16%	0.00	0.26%	(0.21)
Total		**1948.82**		**-82.50**		**(0.67)**		**-83.17**

As at 31 March 2022

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Nureca Limited	100.27%	2,037.43	100.78%	453.09	100.71%	1.42	100.78%	454.51
Subsidiary								
Nureca Inc, U.S.A.	0.04%	0.76	0.16%	0.74	0.71%	0.01	0.17%	0.75
Nureca Healthcare Private Limited, India	0.00%	0.01	0.01%	0.05	0.00%	-	0.00%	0.05
Nureca Technologies Private Limited, India	0.43%	8.32	-0.57%	(2.57)	0.00%	-	-0.57%	(2.57)
Elimination	-0.64%	(13.02)	-0.03%	(0.13)	0.08%	0.00	0.03%	0.13
Total		**2,031.98**		**449.60**		**1.41**		**451.01**

(Amount in INR million, unless otherwise stated)

Note - 43 Other statutory information

(i)The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii) The Group does not have any transactions with companies struck off in current financial year.
(iii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
(iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(vii) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
(viii) The Group does not have borrowings from banks and financial institutions on the basis of security of current assets. Accordingly, there is not requirement to file quarterly returns or statements of current assets with banks and financial institutions.
(ix) None of the entities in the Company have been declared wilful defaulter by any bank or financial institution or government or any government authority.
(x) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
(xi) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
(xii) The Group including the "Companies in the Group" (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company ("CIC")

Note 44 - Ratios

Particulars	Numerator	Denominator	31-Mar-23	31-Mar-22	Change	Reason for varince >25%
Current Ratio	Total Current Assets	Total Current Liabilities	21.00	16.85	24.7%	Current ratio has increased for year ended 31 March 2023, since Business scale has increased and subsequently liability has decreased.
Debt-Equity Ratio	Total debt (lease liablity)	Total shareholder equity	0.02	0.02	-21.2%	NA
Debt Service Coverage Ratio	Earning available for debt service	Debt service	(3.27)	18.02	-118.1%	Debt service coverage ratio has decreased for year ended 31 March 2023, due to decrease in earning available for debt services.
Return on Equity Ratio	Net profit after tax	Average shareholder equity	-4%	25%	-116.6%	Return on equity is lower for year ended 31 March 2023, since profit has been decreased in current years whereas there has been decrease in average shareholding equity in the company as compared to previous year's average shareholding equity.
Inventory turnover ratio	Cost of goods sold	Average inventory	1.55	0.66	134.4%	Inventory turnover ratio has decrease because of increase in average inventory level in comparison to cost of goods sold.
Trade Receivables turnover ratio	Net credit revenue	Average accounts receivable	30.97	40.99	-24.4%	Trade Receivables turnover ratio have decreased due to decrease in sales.
Trade payables turnover ratio	Net credit purchase + other expense	Average trade payable	16.02	6.16	160.0%	The purchases has declined during current year however the balance of trade payble has not change.
Net capital turnover ratio	Net revenue	Working capital	0.63	1.43	-56.19%	Net Capital turnover ratio is lower for year ended 31 March 2023, because in March 2023 the working capital base of the company was significantly low.
Net profit ratio	Net Profit after tax	Net revenue	-7%	18%	-142.1%	Net profit ratio has declined because the sales have reduced substantially in the current year.
Return on Capital employed	Earning before interest and taxes	Tangible net Worth+ Total debt (Lease Liability)	-5%	30%	-117.7%	Return on capital employed ratio has declined because the Company has incurred loss in the current year as compared to previous year when the Company had earned profits
Return on investment	Income generated from investment	Average investment	5%	4%	32.4%	Investment in mutual fund has increase as compared to previous year as a result of which gain on sale of investment have increased.

Note 45-Code on Social Security

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:26:15 +05'30'

Ankush Goel
Partner
Membership Number : 505121

Place: New Delhi
Date: 23-05-2023

For and on behalf of Board of Directors of Nureca Limited

SAURABH GOYAL Digitally signed by SAURABH GOYAL Date: 2023.05.23 21:53:06 +05'30'

Saurabh Goyal
Managing Director
DIN : 00136037
Place: Chandigarh
Date: 23-05-2023

ARYAN GOYAL Digitally signed by ARYAN GOYAL Date: 2023.05.23 21:53:34 +05'30'

Aryan Goyal
Whole-time director & CEO
DIN : 00002869
Place: Chandigarh
Date: 23-05-2023

NISHANT GARG

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 23-05-2023

CHETNA ANAND

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23-05-2023

B S R & Co. LLP
Chartered Accountants

Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase - II,
Gurugram - 122 002, India
Tel: +91 124 719 1000
Fax: +91 124 235 8613

Independent Auditor's Report

To the Members of Nureca Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Nureca Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the* Consolidated *Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment and based on the consideration of report of other auditor on separate financial statements of component audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition
See Note 2.10 and Note 22 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from the sale of goods is recognized when control in goods is transferred to the customer and is measured net of rebates, discounts and returns. Standards on Auditing presume that there is fraud risk with regard to revenue recognition. We focused on this area since there is a risk that revenue may be overstated because of fraud, resulting due to the pressures to achieve performance targets as well as meeting external expectations. 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 appropriate audit evidence: • We assessed the appropriateness of the revenue recognition accounting policies against the requirement of Ind AS 115 i.e. Revenue from contracts with customers. • We evaluated the design and implementation of key internal financial controls in relation to revenue recognition and tested the operating effectiveness of such manual controls for a sample of transactions; • We performed testing by selecting samples of revenue transactions recorded for the year. For such samples, verified the underlying documents, including invoices, customer acceptances/ delivery documents (as applicable). • We carried out analytical procedures on revenue recognized during the year to identify 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 recognized in the appropriate financial period • We tested sample manual journal entries for revenue, selected based on specified risk-based criteria to identify unusual items,

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit reports of other auditors, 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.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other Matters

a. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 36.79 millions as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 58.57 millions and net cash flows (before consolidation adjustments) amounting to Rs. 0.63 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

b. The financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 0.79 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. Nil and net cash flows (before consolidation adjustments) amounting to Rs. 0.02 millions for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditor. These unaudited financial statements been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as was audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 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 Holding Company and its subsidiary companies incorporated in India 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 Auditor's 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

   a. The consolidated financial statements disclose the impact of pending litigations as at

31 March 2023 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 43 (v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements has been audited under the Act represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 43 (vi) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is in accordance with the requisite approvals as mandated by the provisions of Section 197 read with Schedule V to the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:43:25 +05'30'

Ankush Goel

Partner

Place: New Delhi | Membership No.: 505121

Date: 23 May 2023 | ICAI UDIN:23505121BGXPZX4674

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Nureca Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:43:45 +05'30'

Ankush Goel

Partner

Place: New Delhi
Membership No.: 505121

Date: 23 May 2023
ICAI UDIN:23505121BGXPZX4674

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Nureca Limited for the year ended 31 March 2023

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Nureca Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, 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 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls 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 and Board of Directors' Responsibilities for Internal Financial Controls

The respective 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 respective 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 if 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 internal financial controls with reference to financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Nureca Limited for the year ended 31 March 2023 *(Continued)*

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 consolidated 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 consolidated 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 consolidated 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

ANKUSH GOEL

Digitally signed by ANKUSH GOEL
Date: 2023.05.23 22:44:05 +05'30'

Ankush Goel

Partner

Place: New Delhi

Membership No.: 505121

Date: 23 May 2023

ICAI UDIN:23505121BGXPZX4674