Nureca Limited
Standalone 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	26.33	32.68
(b)	Right-of-use assets	4a	29.06	41.19
(c)	Intangible assets	3b	25.39	23.92
(d)	Intangible assets under development	3c	-	4.23
(e)	Financial assets			
	- Investments	5	30.56	13.06
	- Loans	6a	2.23	-
	- Other financial assets	6b	75.15	22.14
(f)	Deferred tax assets (net)	29d	26.96	1.01
(g)	Other tax assets (net)	7a	11.10	-
	Total non-current assets		**226.78**	**138.23**
(2)	**Current assets**			
(a)	Inventories	8	328.25	631.66
(b)	Financial assets			
	- Investments	5	590.85	331.86
	-Trade receivables	9	42.68	28.68
	- Cash and cash equivalents	10	4.00	81.58
	- Bank balances other than cash and cash equivalents	11	704.61	760.28
	- Other financial assets	6	40.98	67.38
(c)	Other current assets	12	119.33	155.68
(d)	Other tax assets (net)	7b	9.32	-
	Total current assets		**1,840.02**	**2,057.12**
	Total assets		**2,066.80**	**2,195.35**
	Equity and liabilities			
(1)	**Equity**			
(a)	Equity share capital	13	100.00	100.00
(b)	Other equity	14	1,852.62	1,937.43
	Total equity		**1,952.62**	**2,037.43**
	Liabilities			
(2)	**Non- current liabilities**			
(a)	Financial liabilities			
	- Lease liabilities	15	20.32	32.81
(b)	Provisions	16a	7.69	4.14
	Total non-current liabilities		**28.01**	**36.95**
(3)	**Current liabilities**			
(a)	Financial liabilities			
	- Lease liabilities	15	12.22	10.48
	-Trade payables	17		
	- total outstanding dues of micro and small enterprises		1.88	3.61
	- total outstanding dues of creditors other than micro and small enterprises		47.95	43.38
	- Other financial liabilities	18	0.12	0.07
(b)	Other current liabilities	19	22.03	41.20
(c)	Provisions	16b	1.97	1.69
(d)	Current tax liabilities (net)	20	-	20.54
	Total current liabilities		**86.17**	**120.97**
	Total liabilities		**114.18**	**157.92**
	Total equity and liabilities		**2,066.80**	**2,195.35**

Significant accounting policies	2
Notes to the standalone financial statements	3-42

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

As per our report of even date attached.

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

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:19:16 +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 21:47:08 +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 21:42:42 +05'30'

Aryan Goyal
Whole-time Director & (
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 21:58:28 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23.05.2023

Nureca Limited

Standalone Statement of Profit and Loss for year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

	Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022
	Income			
I	Revenue from operations	21	1,118.99	2,555.49
II	Other Income	22	71.65	77.20
III	**Total income (I + II)**		**1,190.64**	**2,632.69**
IV	**Expenses**			
	Purchase of stock-in-trade	23	470.82	1,595.34
	Changes in inventories of stock-in-trade	24	307.17	(269.16)
	Employee benefits expense	25	155.09	98.31
	Finance costs	26	4.31	7.31
	Depreciation and amortization expense	27	23.01	14.32
	Other expenses	28	339.81	573.27
	Total expenses (IV)		**1,300.21**	**2,019.39**
V	**(Loss)/profit before tax (III-IV)**		**(109.57)**	**613.30**
VI	**Tax expense:**			
(i)	Current tax	29	0.41	155.70
(ii)	Deferred tax	29a	(25.76)	4.51
	Total tax expense		**(25.35)**	**160.21**
VII	**(Loss)/profit for the year (V-VI)**		**(84.22)**	**453.09**
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)
	Total other comprehensive income for the year (net of tax)		**(0.58)**	**1.42**
IX	**Total comprehensive income for the year (VII+VIII)**		**(84.80)**	**454.51**
	Earnings per equity share			
	Basic and diluted [nominal value of INR 10 per share]	30	(8.42)	45.31
	Significant accounting policies	2		
	Notes to the standalone financial statements	3-42		

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

As per our report of even date attached.

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

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:20:30 +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 21:46:54 +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 21:43:02 +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 Digitally signed by CHETNA ANAND Date: 2023.05.23 21:58:47 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23.05.2023

Nureca Limited
Standalone Statement of Cash Flow for the year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

	Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A	**Cash flows from operating activities**		
	(Loss)/profit before tax for the year	**(109.57)**	**613.30**
	Adjustments for:		
	Depreciation and amortization expense	23.01	14.32
	Income on unwinding of security deposits	(0.03)	(0.07)
	Unrealized foreign exchange (gain)	(0.03)	(0.65)
	Finance costs	4.31	7.31
	Loss allowance	0.25	-
	Provision for doubtful advance	3.25	-
	Interest income	(42.69)	(52.33)
	Gain/loss on mutual funds (Net)	(24.44)	(6.51)
	Operating cash profit before working capital changes	**(145.93)**	**575.37**
	Working capital adjustments		
	Decrease/(increase) in inventories	303.41	(263.90)
	(Increase) in trade receivables	(13.79)	(25.84)
	Increase/(decrease) in trade payables	2.86	(39.98)
	Decrease/(increase) in other assets	31.15	(41.08)
	(Decrease) in other current liabilities	(18.88)	(9.27)
	Increase in provisions	3.06	2.52
	Cash generated from operating activities	**161.88**	**197.82**
	Income tax paid (net)	(41.37)	(179.55)
	Net cash generated from operating activities (A)	**120.51**	**18.27**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(2.35)	(32.60)
	Purchase of intangible assets under development	-	(1.21)
	Purchase of intangible assets	-	(24.74)
	Interest income received	12.74	40.41
	Investment in subsidiaries	(17.50)	(4.90)
	Purchase of mutual funds	(424.81)	(355.21)
	Sale of mutual funds	190.28	29.86
	Unsecured Loan to subsidiaries	(2.23)	-
	Fixed deposits matured (Net)	60.86	314.72
	Net cash (used in) investing activities (B)	**(183.01)**	**(33.67)**
C	**Cash flows from financing activities**		
	Payment of lease liabilities (including interest)	(14.01)	(9.53)
	Interest paid	(1.05)	(4.30)
	Repayment of non-current borrowings	-	(7.79)
	(Repayment) from current borrowings (net)	-	(1.46)
	Dividend Paid	-	(49.93)
	Net cash used in financing activities (C)	**(15.06)**	**(73.01)**
	Net (decrease) in cash and cash equivalents (A+B+C)	(77.57)	(88.41)
	Cash and cash equivalents at the beginning of the year	**81.57**	**169.99**
	Cash and cash equivalents at the end of the year	**4.00**	**81.58**
	Notes:		
1.	**Components of cash and cash equivalents**		
	Balances with banks:		
	- In current accounts	4.00	1.58
	- Fixed deposits with original maturity upto three months	-	80.00
		4.00	**81.58**

2. The above cash flow statement has been prepared under the indirect method set out in the applicable Indian Accounting Standard (Ind AS) 7 on "Statement of Cash Flows". Also, refer to note 2.3.18.

3. Refer note 14(C) for reconciliation of movements of liabilities to cash flows arising from financing activities.

Significant accounting policies	2
Notes to the standalone financial statements	3-42

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

As per our report of even date attached

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

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:21:36 +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 21:46:43 +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 21:43:14 +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 21:59:04 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23.05.2023

Nureca Limited

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

(Amount in INR million, unless otherwise stated)

A Equity share capital

Particulars	Note	As at 31 March 2023 Number of shares	As at 31 March 2023 Amount	As at 31 March 2022 Number of shares	As at 31 March 2022 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 13)

Particulars	Reserves and surplus			Total equity
	Capital reserve	Securities premium	Retained earnings	
Balance as at 1 April 2021	**(12.96)**	**987.79**	**558.09**	**1,532.92**
Total comprehensive income for the year				
Add : Profit for the year	-	-	453.09	453.09
Add : Other comprehensive income (net of tax) for the year	-	-	1.42	1.42
Total comprehensive income for the year	**(12.96)**	**987.79**	**1,012.60**	**1,987.43**
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**	**962.60**	**1,937.43**

Particulars	Reserves and surplus			Total
	Capital reserve	Securities premium	Retained earnings	
Balance as at 1 April 2022	**(12.96)**	**987.79**	**962.60**	**1,937.43**
Total comprehensive income for the year				
Add : Loss for the year	-	-	(84.22)	(84.22)
Add : Other comprehensive loss (net of tax) for the year	-	-	(0.58)	(0.58)
Total comprehensive income for the year	**(12.96)**	**987.79**	**877.80**	**1,852.62**
Balance as at 31 March 2023	**(12.96)**	**987.79**	**877.80**	**1,852.62**

Significant accounting policies 2
Notes to the standalone financial statements 3-42
The accompanying notes form an integral part of the standalone financial statements

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

ANKUSH GOEL Digitally signed by ANKUSH GOEL Date: 2023.05.23 22:22:03 +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 21:46:30 +05'30'

Saurabh Goyal
Managing Director
DIN : 00136037
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 21:53:59 +05'30'

Nishant Garg
Chief Financial Officer
Place: Chandigarh
Date: 23.05.2023

ARYAN GOYAL Digitally signed by ARYAN GOYAL Date: 2023.05.23 21:43:26 +05'30'

Aryan Goyal
Whole-time Director & CEO
DIN : 00002869
Place: Chandigarh
Date: 23.05.2023

CHETNA ANAND Digitally signed by CHETNA ANAND Date: 2023.05.23 21:59:19 +05'30'

Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23.05.2023

Note 1. Corporate information

Nureca Limited ("the Company") is a public limited company which is domiciled and incorporated in Republic of India under the provisions of the Companies Act, 2013 (CIN L24304MH2016PLC320868) 02 November 2016 and 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 Company is engaged in the business of home healthcare and wellness products.

Note 2. Significant accounting policies

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

2.1 Basis of preparation

a. Statement of compliance

These standalone Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The standalone 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 Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone Ind AS financial statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 10,000 have been rounded and are presented as INR 0.00 million in these Ind AS financial statements.

a. Basis of measurement

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

Items	**Measurement basis**
Certain financial assets	Fair value

b. Use of estimates and judgments

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

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

Significant judgements

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

Significant estimates

- *Recoverability of deferred taxes (refer note. 2.11 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. 2.12 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 2.3 and 3a)*

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

- *Useful lives of intangible assets (refer note 2.4 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 Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

The Company classifies all other assets as non-current.

A liability is treated as current when:

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

The Company classifies all other liabilities as non-current.

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

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

d. Measurement of fair values

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

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

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

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

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred. Further information about the assumptions made in measuring fair values used in preparing these standalone financial statements is included in the note 35(a).

2.2 Financial instruments

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

a. *Financial assets*

Initial recognition and measurement

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

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVOCI – equity investment; or
- FVTPL

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

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

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

All mutual fund investments in scope of Ind AS 109 are measured at fair value

Investment in subsidiaries

Investment in subsidiaries is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

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

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

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

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

Financial assets at amortised cost

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

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

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

Derecognition of financial assets

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

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

b. *Financial liabilities*

Initial recognition and measurement

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

Subsequent measurement

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

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

The Company has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortized cost

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

Derecognition of financial liabilities

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

c. *Reclassification of financial assets and liabilities*

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

d. *Offsetting of financial instruments*

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

2.3 Property, plant and equipment

Recognition and Initial Measurement

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

Cost of asset includes:

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 Company and cost of the expenditure can be measured reliably.

Depreciation and useful lives

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

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.

2.4 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 less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation 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 Company 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

2.5 Leases

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

Leases in which the Company is a lessee

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

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

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

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

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

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

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

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

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

2.6 Impairment

a. Impairment of financial assets

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

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

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

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

Measurement of expected credit losses

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

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

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

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

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

b. Impairment of non-financial assets

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

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

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

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

2.7 Inventories

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

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

2.8 Foreign currency transactions

Initial recognition

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

Measurement at the reporting date

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

2.9 Revenue recognition

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

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

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

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

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

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

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

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

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

II. Right of return

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

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

2.10 Recognition of 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.

2.11 Taxes

a) Current tax

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

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

b) Deferred tax

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

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

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

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

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

2.12 Employee benefits

Short-term employee benefits

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

a) Post-employment benefits

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

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

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

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

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

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

  Re-measurement, comprising actuarial gains and losses, is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to Statement of Profit and Loss.

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

b) Other employee benefits

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.

2.13 Provisions, contingent assets and contingent liabilities

Provisions

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

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

Onerous contracts

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

Contingent liabilities

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

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

Contingent assets

Contingent 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

2.14 Segment reporting

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

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

2.15 Cash and cash equivalents

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

2.16 Statement of cash flows

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

2.17 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 company is in the process of evaluating impact of these changes on financial statements.

Note to the standalone financial statements for the 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 31 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	7.37	0.31	-	7.68	0.68	0.70	-	1.38	6.69	6.31
Office equipment	3.88	0.75	-	4.63	1.19	0.96	-	2.15	2.69	2.48
Computers	6.20	0.24	(0.60)	5.84	2.11	1.64	(0.02)	3.73	4.09	2.11
Plant & machinery	2.41	0.33	-	2.74	0.10	0.81	-	0.91	2.31	1.83
Vehicle	11.76	-	-	11.76	1.88	3.13		5.01	9.88	6.75
Total	**38.87**	**2.35**	**(0.60)**	**40.62**	**6.19**	**8.12**	**(0.02)**	**14.29**	**32.68**	**26.33**

Particulars	Gross carrying amount				Accumulated depreciation				Net block	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022
Leasehold Improvement	-	7.25	-	7.25	-	0.23	-	0.23	-	7.02
Furniture and fixtures	2.27	5.10	-	7.37	0.31	0.37	-	0.68	1.96	6.69
Office equipment	2.20	1.68	-	3.88	0.58	0.61	-	1.19	1.62	2.69
Computers	1.80	4.40	-	6.20	1.00	1.11	-	2.11	0.80	4.09
Plant & machinery	-	2.41	-	2.41	-	0.10	-	0.10	-	2.31
Vehicle	-	11.76	-	11.76	-	1.88		1.88	-	9.88
Total	**6.27**	**32.60**	**-**	**38.87**	**1.89**	**4.30**	**-**	**6.19**	**4.38**	**32.68**

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 2021	As at 31 March 2023
Software	0.49	-	-	0.49	0.01	0.16	-	0.17	0.48	0.32
Mobile application (internally generated)	24.25	4.23	-	28.48	0.81	2.61		3.42	23.44	25.06
Total	**24.74**	**4.23**	**-**	**28.97**	**0.82**	**2.76**	**-**	**3.58**	**23.92**	**25.39**

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**

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 project	-	-	-	-	-
	-	-	-	-	-

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 project	4.23	-	-	-	4.23

(Amount in INR million, unless otherwise stated)

Note 4 - Right-of-use assets

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

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

Right-of-use assets	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	-	20.87
Accreditation of interest	3.26	3.08
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 Company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

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

Maturity analysis – contractual undiscounted cash flows	As at 31 March 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 Company does not face liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

g. The Company has also taken certain office premises and office equipment on lease with contract terms within one year. These leases are short-term and/or leases of low-value items. The Company has elected not to recognize right-of-use-assets and lease liabilities for these leases. The expenses relating to short-term leases and /or leases of low-value items has been applied have been charged to the Statement of Profit and Loss .

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	10.15	6.31
Interest on lease liabilities	3.26	3.08
Depreciation expense	12.13	9.20
Total	**25.54**	**18.59**

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	**24.16**	**15.84**

Note 5 - Investments

	As at 31 March 2023	As at 31 March 2022
Non-current Investments		
Investments in Equity Instruments		
Unquoted investments (fully paid-up)		
Subsidiary companies (at cost)		
- Nureca INC	0.46	0.46
71,000 (31 March 2022: 71,000) equity shares of USD 0.10/- each fully paid-up		
- Nureca Technologies Private Limited	30.00	12.50
3000,000 (31 March 2022: 1,250,000) equity shares of INR 10/- each fully paid-up		
- Nureca Healthcare Private Limited	0.10	0.10
10,000 (31 March 2022: 10,000) equity shares of INR 10/- each fully paid-up		
Total	**30.56**	**13.06**

Nureca Limited

Note to the standalone financial statements for the year ended 31 March 2023

(Amount in INR million, unless otherwise stated)

Current Investments

In Other Companies (quoted investment at fair value)	**As at 31 March 2023**	**As at 31 March 2022**
- 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	30.56	13.06
Aggregate value of impairment in value of non-current investments	-	-

Nureca Limited
Note to the standalone financial statements for the year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

Note 6a - Loans

	As at 31 March 2023	As at 31 March 2022
Loans to related parties	2.23	-
	2.23	**-**

Note 6b - Other financial assets

	As at 31 March 2023	As at 31 March 2022
Non-current		
Security deposits	2.79	2.64
Bank deposits maturing after twleve months	72.36	**19.50**
	75.15	**22.14**

	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 partners.

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)	11.10	-
(b) Current		
Advance income-tax (net of provision)	9.32	-
	20.42	**-**

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

	As at 31 March 2023	As at 31 March 2022
Stock-in-trade*	328.25	631.66
	328.25	**631.66**

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	42.93	28.68
Less: expected credit loss allowance	(0.25)	-
	42.68	**28.68**

There are no trade receivables due from directors or other officers of the company either severally or jointly with any other person or due from firms or private companies respectively in which any director is a partner, a director or a member.

	As at 31 March 2023	As at 31 March 2022
Break-up of trade receivables:		
Trade receivables considered good- unsecured	42.68	28.68
Trade receivables - credit impaired	0.25	-
	42.93	**28.68**
Less: loss allowance		
Trade receivables - credit impaired	(0.25)	-
Trade receivables net	**42.68**	**28.68**

Trade receivables ageing schedule

As at 31 March 2023	Outstanding for following periods from due date of payment							
	Unbilled	Not due	< 6 months	6 months to 1 year	1 year to 2 years	2 year to 3 years	> 3 years	Total receivable
Undisputed trade receivable - considered good	-	41.15	1.52	0.01	-	-	-	42.68
Undisputed trade receivable - considered doubtful	-	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	0.20	0.05	-	-	0.25
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-
Disputed trade receivable - considered doubtful	-	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**41.15**	**1.52**	**0.21**	**0.05**	**-**	**-**	**42.93**

(Amount in INR million, unless otherwise stated)

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

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	4.00	1.58
- Fixed deposits with original maturity upto three months	-	80.00
	4.00	**81.58**

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

Balances with bank:		
- In current accounts	4.00	1.58
- Fixed deposits with original maturity upto three months	-	80.00
	4.00	**81.58**
	4.00	**81.58**

Note 11 - Other bank balances	**As at 31 March 2023**	**As at 31 March 2022**
Bank deposits*	704.49	760.21
Balance in unclaimed dividend accounts	0.12	0.07
	704.61	**760.28**

*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	91.49	132.08
Prepaid expenses	5.62	1.50
CSR Asset	8.71	0.30
Advances to suppliers	8.79	14.05
Expenses recoverable from related parties	1.37	0.64
Right to recover returned goods	3.35	7.11
	119.33	**155.68**

(Amount in INR million, unless otherwise stated)

Note 13 - Equity share capital	**As at 31 March 2023**	**As at 31 March 2022**
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 Company's authorized share capital consist of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

b) Reconciliation of the number of equity shares outstanding at the beginning and end of the reporting year:

	As at 31 March 2023		**As at 31 March 2022**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Balance at the beginning and at the end 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 Company:

	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 ended 31 March 2021, the Company had made Initial Public Offering of 2,500,175 equity shares of face value of Rs. 10 each for cash consisting 2,496,675 equity shares to public other than employees at a price of Rs. 400 per equity share (including a share premium of Rs. 390 per equity share) and 3,500 equity shares to the employees at a price of Rs. 380 per equity share (including a share premium of Rs. 370 per equity shares) aggregating to Rs. 1000.00 million. These equity shares were allotted on 23 February 2021 and the equity share of the Company 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	35%	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	962.60	558.09
	Add: Profit for the year	(84.22)	453.09
	Add: Other comprehensive (loss)/ income for the year (remeasurement of defined benefit plans, net of tax)	(0.58)	1.42
	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	**877.80**	**962.60**
	Total	**1,852.63**	**1,937.43**

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.

(Amount in INR million, unless otherwise stated)

Note 15 - Borrowings

A. 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)	-	9.25
Repayments of non-current borrowings	-	(9.25)
Borrowings at the end of the year (current and non-current borrowings)	**-**	**-**

Note 15 - Lease Liabilities

Non Current		
Lease liability (refer note 4)	20.32	43.29
	20.32	**32.81**
Current		
Lease liability	12.22	10.48
	12.22	**10.48**

Note 16 - Provisions

	As at 31 March 2023	As at 31 March 2022
(a) Non-current		
Provision for employee benefits:		
Provision for compensated absences	1.08	-
Provision for gratuity (refer note 32)	6.61	4.14
	7.69	**4.14**
(b) Current		
Provision for employee benefits:		
Provision for compensated absences	1.90	1.69
Provision for gratuity (refer note 32)	0.07	0.00
	1.97	**1.69**
	9.66	**5.83**

Note 17 - Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro and small enterprises #	1.88	3.61
Total outstanding dues of creditors other than micro and small enterprises	47.95	43.38
	49.83	**46.99**
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 Company. Refer note 34 for the disclosure in respect of amounts payable to such enterprises as at year end that has been made in the financial statements based on information available with the Company.

Refer note 34

Trade payables ageing schedule

			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	-	1.88	-	-	-	-	1.88
Total outstanding dues of creditors other than micro enterprises and small enterprises	19.07	21.54	6.90	0.44	-	-	47.95
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	19.07	23.42	6.90	0.44	-	-	49.83

Nureca Limited
Note to the standalone financial statements for the year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

As at 31 March 2022	Unbilled	Not Due	Outstanding for following periods from due date of payment < 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 enterprises	20.20	19.80	3.34	0.04	-	-	43.38
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	20.20	23.42	3.34	0.04	-	-	46.99

Note 18 - Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Unpaid Dividend	0.12	0.07
	0.12	**0.07**

Note 19 - Other current liabilities

	As at 31 March 2023	As at 31 March 2022
Advance from customer	3.49	9.38
Statutory liabilities	3.13	7.10
Refund liability	7.20	13.68
Payable to employees	8.21	11.04
	22.03	**41.20**

Note 20 - Current tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Provision for tax (net of advance tax Nil (31 March 2022: INR 330.44)	-	20.54
	-	**20.54**

Nureca Limited
Note to the standalone financial statements for the year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

Note 21 - Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of products	1,118.99	2,555.49
	1,118.99	**2,555.49**

Notes:

a. Reconciliation of revenue recognized with the contract price is as follows:		
Contract price	1,178.73	2,715.12
Less: Adjustments for:		
- Discounts and rebates	52.54	145.95
- Refund liability	7.20	13.68
Revenue recognized	**1,118.99**	**2,555.49**
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	1,118.73	2,555.49
Outside India	0.26	-
Total revenue from contracts with customers	**1,118.99**	**2,555.49**
d. **Timing of revenue recognisition:**		
Product transferred at a point in time	1,118.99	2,555.49
Products transferred over time	-	-
Revenue from contracts with customers	**1,118.99**	**2,555.49**

Note 22 - 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	42.00	52.33
- loan given	0.69	-
Exchange gain on foreign exchange fluctuation (net)	1.67	15.52
Income on unwinding of security deposit	0.03	0.07
Rental Income	0.29	0.25
Gain/loss sale of Mutual Fund	24.44	6.51
Liability no longer required written back	-	1.06
Miscellaneous income	2.53	1.46
	71.65	**77.20**

Note 23 - Purchase of stock-in-trade

	For the year ended 31 March 2023	For the year ended 31 March 2022
Purchase of stock-in-trade	470.82	1,595.34
	470.82	**1,595.34**

Note 24 - 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	631.66	367.76
- Right to recover returned goods	7.11	1.85
Closing balance		
- Stock-in-trade	(328.25)	(631.66)
- Right to recover returned goods	(3.35)	(7.11)
	307.17	**(269.16)**

Note 25 - Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries and wages	151.12	93.74
Contribution to provident and other funds (refer note 32)	3.12	2.92
Staff welfare expenses	0.85	1.65
	155.09	**98.31**

Note 26 - 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	-	0.21
- on lease liabilities	3.26	3.09
Interest expense on income tax	-	1.00
Other borrowing cost	1.05	3.01
	4.31	**7.31**

(Amount in INR million, unless otherwise stated)

Note 27 - Depreciation and amortization expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	8.12	4.30
Amortization of intangible assets	2.76	0.82
Depreciation on right-of-use assets	12.13	9.20
	23.01	**14.32**

Note 28 - 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	1.60	1.67
Legal and professional fee (refer note (a) below)	28.59	47.56
Rent	10.15	6.31
Travel and conveyance	17.53	11.51
Shifting and handling expenses	17.17	26.99
Security services	1.94	2.65
Loss allowance	0.25	0.62
Provision for doubtful advance	3.25	-
Commission and incentive	93.18	175.62
Packing expenses	11.10	13.51
Repairs and maintenance (others)	1.98	3.03
Rates and taxes	1.12	3.85
Power and fuel	1.91	1.57
Freight charges	75.60	101.68
Donation	0.10	14.80
CSR expenditure (refer note (b) below)	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	15.23	15.28
	339.81	**573.27**

(Amount in INR million, unless otherwise stated)

(a) 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 Standalone Statement of Profit and Loss	**2.97**	**2.75**
- Others services	0.52	0.21
Total	**3.49**	**2.96**

(b) Details of CSR expenditure:	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:-		
1) Gross amount required to be spent by the Company during the year	8.77	4.73
2) Amount spent during the year on (in cash):		
(i) Construction / Acquisition of any asset	-	-
(i) On purpose other than (i) above	17.52	5.05
3) Excess/ (Shortfall) at the end of the year	8.75	0.32
4) Total of previous years shortfall	-	-
5) Details of related party transactions	-	-
4) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately		
5) Reason for shortfall:		
6) Nature of CSR Activities:		
i) Preventive healthcare	17.52	5.05

Note 29 - 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	0.41	155.70
Deferred tax:		
- Attributable to origination and reversal of temporary differences	(25.76)	4.51
Total tax expense recognized	**(25.35)**	**160.20**
b. Reconciliation of effective tax rate		
Profit before tax	**(110.34)**	**613.30**
Tax at India's statutory tax rate of 25.17%	(27.77)	154.37
Tax effect of non-deductible expenses	1.94	6.26
Adjustment for prior period tax expenses	0.41	-
Other adjustments	0.08	-
Income tax expense recognized in the statement of profit and loss	**(25.35)**	**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:	**For the year ended 31 March 2023**	**As at 31 March 2021**
Deferred tax asset	35.69	3.80
Deferred tax liability	(8.73)	(2.79)
Deferred tax asset (net)	**26.96**	**1.01**

e. Movement in deferred tax balances

	As at 1 April 2022	**Recognized in Statement of Profit and Loss**	**Recognized in Other Comprehensive Income**	**As at 31 March 2023**
Deferred tax asset				
Provision for employee benefits	1.62	1.03	0.19	2.84
Income tax losses	-	30.12	-	30.12
Expected credit loss allowance on advances and trade receivables	-	0.88	-	0.88
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**	**31.70**	**0.19**	**35.69**
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**	**25.76**	**0.19**	**26.96**

	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	-	0.53	-	0.53
Deferred tax asset (A)	**5.66**	**(1.86)**	**(0.48)**	**3.80**
Deferred tax liability				
Excess depreciation as per Income tax Act, 1961 over depreciation as per books	(0.03)	(1.12)	-	(1.15)
Mutual fund gain (unrealized gain)	-	(1.64)	-	(1.64)
Lease liabilities net of ROU	(0.11)	0.11	-	-
Deferred tax liability (B)	**(0.14)**	**(2.65)**	**-**	**(2.79)**
Deferred tax asset (net) (A+B)	**5.52**	**(4.51)**	**(0.48)**	**1.01**

Deferred tax asset on brought forword losses is considered realisable as the Company expect future taxable profit against which the deferred tax assets will be recovered.

(Amount in INR million, unless otherwise stated)

Note 30 - 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	(84.22)	453.09
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)	**(8.42)**	**45.31**

Note 31 - Segment information

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

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

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

a. Information about products and services

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
Revenue from branded healthcare products	1,118.99	2,555.49
Total	**1,118.99**	**2,555.49**

b. Information about geographical areas

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

	For the year ended 31 March 2023	**For the year ended 31 March 2022**
i. Revenue from customers		
India	1,118.73	2,555.49
Outside India	0.26	-
	1,118.99	**2,555.49**

	As at 31 March 2023	**As at 31 March 2022**
ii. Trade receivables		
India	42.68	28.68
Outside India	0.03	-
	42.71	**28.68**

iii) Non-current assets

There are no non-current assets outside india.

(Amount in INR million, unless otherwise stated)

Note 32 - Employee benefits

a. Defined contribution plans

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

	For the year ended 31 March 2023	For the year ended 31 March 2022
Contribution to provident and other funds (refer note 25)	3.12	2.92

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 Company to following risks:

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

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

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

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

	As at 31 March 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	0.45	0.23
Current service cost	1.61	2.39
Benefits paid	(0.29)	(0.06)
Actuarial loss recognized in other comprehensive income		
- from changes in financial assumptions	0.05	(0.16)
- from experience adjustments	0.72	(1.59)
Balance at the end of the year	**6.68**	**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	0.45	0.23
Current service cost	1.61	2.39
	2.06	**2.62**
iii. Remeasurements recognized in other comprehensive income		
Actuarial loss/ (gain) for the year on defined benefit obligation	0.77	(1.90)
	0.77	**(1.90)**

(Amount in INR million, unless otherwise stated)

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	26.46

(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)	(0.61)	(0.48)
Future salary growth rate (1% movement)	0.44	0.42
Decrease		
Discount rate (1% movement)	0.72	0.58
Future salary growth rate (1% movement)	(0.39)	(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 4 years	1.86	0.56
Beyond 5 years	23.72	12.19
Total expected payments	**25.58**	**12.75**

vii. Weighted average duration of the defined benefit obligation:

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

(Amount in INR million, unless otherwise stated)

Note 33 - Related parties

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

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

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

Description of Relationship	Name of the Party
Key management personnel ('KMP')	Mr. Saurabh Goyal - Managing Director
	Mr. Aryan Goyal - Chief Executive Officer
	Ms. Sakshi Mittal - Chief Financial Officer (w.e.f. 21 October 2020 till 15 June 2021)
	Mr. Gurvikram Singh - Company Secretary (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
	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 30 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	Revenue from operations (net of returns)	Nureca Technologies Private Limited	5.76	0.06
2	Purchase of stock-in-trade	Nureca Technologies Private Limited	58.17	-
3	Reimbursement of expense paid by the Company	Nureca Technologies Private Limited	0.05	2.63
		Nectar Biopharma Private Limited	-	7.06
		Nureca INC	0.73	0.61
4	Expenses Incurred by Entity on Behalf of Company	Nectar Biopharma Private Limited	-	0.91
		Nureca Technologies Private Limited	0.07	-
5	Borrowings Given	Nureca Technologies Private Limited	26.10	-
		Nureca Healthcare Private Limited	0.10	-
6	Borrowings repaid	Mrs. Payal Goyal	-	3.90
		Mr. Saurabh Goyal	-	3.90
		Trumom Private Limited	-	1.46
		Nureca Technologies Private Limited	23.97	-
7	Amount paid & recovered	Nureca Technologies Private Limited	4.00	-
8	Interest accrued during the year	Mrs. Payal Goyal	-	0.09
		Mr. Saurabh Goyal	-	0.09
		Trumom Private Limited	-	0.00
9	Managerial remuneration *	Mr. Saurabh Goyal	18.00	15.26

Nureca Limited
Note to the standalone financial statements for the year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

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

	Nature of transaction	Name of related party	For the year ended 31 March 2023	For the year ended 31 March 2022
10	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	-
11	Sale of products	Mr. Aryan Goyal	0.01	-
		Mr. Saurabh Goyal	-	-
12	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
13	Commission and incentive	Nectar Biopharma Private Limited	-	2.62
14	Business support services	Nectar Biopharma Private Limited	-	11.47
15	Job Work Charges	Nureca Technologies Private Limited	-	1.32
16	Rent Income	Nureca Healthcare Private Limited	0.01	0.01
		Nureca Technologies Private Limited	0.24	0.24
		DrTrust Charitable Trust	0.04	-
17	Rent Expenses	Mrs. Raman Goyal	0.96	0.19
18	Purchase of Fixed Asset	Nectar Life Sciences Limited	-	10.81
		Nectar Biopharma Private Limited	-	2.50
18	Investments (in equity share @ 10/- per share)	Nureca Healthcare Private Limited	-	-
		Nureca Technologies Private Limited	17.50	4.90
19	Contribution to corpus fund	DrTrust Charitable Trust	0.10	-
20	Interest on Borrowings given	Nureca Technologies Private Limited	0.66	-
		Nureca Healthcare Private Limited	0.01	-

* 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

(Amount in INR million, unless otherwise stated)

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	Nureca INC	1.37	0.64
		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	-
3	Loan Given	Nureca Technologies Private Limited	2.13	-
		Nureca Healthcare Private Limited	0.10	-
4	Interest accrued but not due	Nureca Technologies Private Limited	-	-
		Nureca Healthcare Private Limited	0.01	-
5	Trade payables	Nureca Technologies Private Limited	3.42	-
		Nectar Biopharma Private Limited	-	1.55
6	Trade receivables	Nureca Healthcare Private Limited	-	-
		Nureca Technologies Private Limited	-	-

D. Balances outstanding at year end (Continue)

	Nature of transaction	Name of related party	As at 31 March 2023	As at 31 March 2022
7	Investments	Nureca INC	0.46	0.46
		Nureca Healthcare Private Limited	0.10	0.10
		Nureca Technologies Private Limited	30.00	12.50

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

	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 year		
	- Principal	1.79	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 35 - Financial instrument : fair value measurements

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

	Note	Level of hierarchy	As at 31 March 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		42.68	-	28.68	-
Cash and cash equivalents	c		4.00	-	81.58	-
Other bank balances	c		704.61	-	760.28	-
Loans	a		2.23	-	-	-
Other financial assets	c		116.13	-	89.52	-
			869.65	**590.85**	**960.06**	**331.86**
Financial liabilities						
Lease Liability	b		32.54	-	43.29	-
Trade payables	c		49.83	-	46.99	-
Other financial liabilities	c		0.12	-	0.07	-
			82.49	**-**	**90.35**	**-**

Notes:

a. The company has elected to measure the investment to subsidiaries at cost. For quoted investment market value 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 finanical assets or finanical liabilites that has been fair valued through OCI.

Note 36 - Financial risk management

Risk management framework

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

(i) Market risk

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

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Company does not expose to the risk of changes in market interest rates as there are no borrowings.

(b) Currency risk

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

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

Exposure to currency risk :

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

	Currency	As at 31 March 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 Company's sensitivity to a 5% increase and decrease in the INR against relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the year end for 5% change in foreign currency rates. A positive number below indicates a increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity balance below would be negative. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 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 belown rounding of norms.

(Amount in INR million, unless otherwise stated)

(ii) Credit risk

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

(a) Trade receivables

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

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

The ageing of trade receivables at the reporting date was:

	As at 31 March 2023	As at 31 March 2022
Not due	41.15	26.64
Less than 90 days	1.52	-
90-180 days	0.01	1.99
More than 180 days	-	0.06
Total	**42.68**	**28.68**

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

(c) Security deposits

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

(iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position. The Company has maintained fixed deposit and made investment in mutual fund to address any liquidity requirement and continue as a going concern.

The table below summarizes the maturity profile of the Company'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
Other financial liabilities (excluding lease liabilities)	0.12	-	0.12	-	-	0.12
Trade payables	49.83	-	49.83	0.44	-	50.27
Lease liabilities	32.54	-	14.53	12.59	11.63	38.75
Total	**82.49**	**-**	**64.48**	**13.03**	**11.63**	**89.14**

As at 31 March 2022	Carrying amount	On demand	Upto 1 Year	1-3 year	More than 3 years	Total
Other financial liabilities (excluding lease liabilities)	0.07	-	0.07	-	-	0.07
Trade payables	46.99	-	46.95	0.04	-	46.99
Lease liabilities	43.29	-	13.74	27.21	17.54	58.49
Total	**90.35**	**-**	**60.76**	**27.25**	**17.54**	**105.55**

(iv) Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's has takes adiqutes step.

Note 37- Capital risk management

(i) Risk Management

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

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

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables (Refer note 17)	49.83	46.99
Borrowings (Refer note 15)	-	43.29
Less: cash and cash equivalents (Refer note 9)	4.00	81.58
Net debt	**45.83**	**8.70**
Equity share capital (Refer note 12)	100.00	100.00
Other equity (Refer note 13)	1,852.62	1,937.43
Total capital	**1,952.62**	**2,037.43**
Capital and net debt	1,998.45	2,046.13
Gearing ratio	**2.29%**	**0.43%**

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

(Amount in INR million, unless otherwise stated)

Note 37- Capital risk management (Continue)
(ii) Dividend not recognised at the end of the year
Subsequent to the year end, the Board of Directors has not recommended payment of final dividend for the financial year ended 31 March 2023.

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

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

Note 38 - Details of utilization of net IPO proceeds are as follows:

Particulars	Planned proceeds as per Prospectus	Actual proceeds	Utilization upto 31 March 2022	Unutilized amount as on 31 March 2022	Utilization upto 31 March 2023	Unutilized amount as on 31 March 2023
Funding incremental working capital requirements	750.00	-	750.00	-	-	-
General Corporate purpose	210.79	-	217.79	-	-	-
Total proceeds	**960.79**	**-**	**967.79**	**-**	**-**	**-**

Note 39- contingent liabilities and commitments (to the extent not provided for)

(a) Claims against Company not acknowledged as debts

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

No tax expense has been accrued in financial statements for the tax demand raised.The Company 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 Company has estimated the impact of the same from post 28 February 2019 and recognized in the financial statement. Owing to the aforesaid uncertainty and pending clarification from the authority in this regard, the Company has not recognized any provision for the period prior to date of judgement. Further management also believes that the impact of the same on the Company will not be material.

Nureca Limited
Note to the standalone financial statements for the year ended 31 March 2023
(Amount in INR million, unless otherwise stated)

Note - 40 Other statutory information

(i)The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii) The Company does not have any transactions with companies struck off in current financial year.
(iii) The Company 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 Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The Company 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 Company 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 Company 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 Company 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 Company has complied with the number of layers prescribed under the Companies Act, 2013.
(xi) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
(xii) The Company 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 41- Ratios

Particulars	Numerator	Denominator	31-Mar-23	31-Mar-22	Change	Reason for variance >25%
Current ratio	Total current assets	Total current liabilities	21.35	17.00	25.6%	Current ratio has increased for year ended 31 March 2023, since business scale has decreased and subsequently liability has increased.
Debt-Equity ratio	Total debt (lease liability)	Total shareholder equity	0.02	0.02	-21.6%	
Debt service coverage ratio	Earning available for debt service	Debt service	(3.45)	18.20	-119.0%	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	-4.22%	24.69%	-117.1%	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	1.62	2.65	-38.9%	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	31.36	60.86	-48.5%	Trade receivables turnover ratio have decreased due to decrease in sales.
Trade payables turnover ratio	Net credit purchase + Other expenses	Average trade payable	16.40	23.70	-30.8%	Trade payables turnover ratio has decreased due to decrease in Purchase during the year.
Net capital turnover ratio	Net revenue	Working capital	0.64	1.44	-55.6%	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	-7.53%	18%	-142.5%	Significant reduction in the sales figure, since during last financial year, company made high level of sales due to covid waves.
Return on capital employed	Earning before interest and taxes	Tangible net worth+ total debt(lease liability)	-5.37%	30%	-118.0%	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	5.30%	4%	35.0%	Investment in mutual fund has increase as compared to previous year as a result of which gain on sale of investment have increased.

Note 42-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 22:22:32 +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 21:45:09 +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 21:44:38 +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 22:00:38 +05'30'
Chetna Anand
Company Secretary
Membership No.: 31099
Place: Chandigarh
Date: 23.05.2023

B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of Nureca Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matter

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

Revenue Recognition	
See Note 2.9 and Note 21 to standalone 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	In view of the significance of the matter we applied the following audit procedures in this area, among

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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, we report that:

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

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

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

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

e. On the basis of the written representations received from the directors as on 01 April 2023 taken on record by the Board of Directors, none of the directors 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the 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:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40 (v) to the 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 Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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 Company has 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 Company 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, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to the directors 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 22:38:48 +05'30'

Ankush Goel

Partner

Membership No.: 505121

ICAI UDIN:23505121BGXPZU6722

Place: New Delhi

Date: 23 May 2023

Annexure A to the Independent Auditor's Report on the Standalone 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)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in phased manner over the period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly adjusted in the books of account.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, the confirmation has been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in firm or limited liability partnership during the year or granted loans, secured or unsecured to firm, limited liability partnership or other parties during the year. However, the Company has made investments in companies and other parties and also granted loans, unsecured to companies during the year. Further, the Company has not provided any guarantee or security or advance in nature of loan to companies, firms, limited liability partnership or any other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to companies as below:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Nureca Limited for the year ended 31 March 2023 *(Continued)*

(Amount in millions)

Particulars	Loans
Aggregate amount granted during the year -Subsidiaries*	**26.20**
Balance outstanding as at balance sheet date -Subsidiaries*	**2.23**

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made during the year and terms and condition of loans granted during the year are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not provided guarantees, given security or granted advance in the nature of loan during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

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

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products traded by it. Accordingly, clause 3(vi) of the Order is not applicable.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	**Nature of the dues**	**Amount in INR millions**	**Period to which the amount relates**	**Forum where dispute is pending**	**Remarks, if any**
Income Tax Act, 1961	Income tax	0.21	Assessment year 2021-22	Assistant Director of Income Tax, Centralised Processing Center	

* amount as per demand orders including interest and penalty, whereever indicated in the order.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the informtion and explanations given to us by the management, the Company has not obtained any term loan during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

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

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) Based on the information and explanations provided by the management of the Company, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) do not have any Core Investment Company as detailed in note 40 (xii) to the financial statements. For reporting on this clause / sub clause, while we have performed audit procedures set out in the Guidance Note on CARO 2020, we have relied on and not been able to independently validate the information provided to us by the management of the Company with respect to entities outside the consolidated Group but covered in the Core Investment Companies (Reserve Bank) Directions, 2016.

(xvii) After considering the effect of the quantified qualifications in the relevant audit reports, the Company has incurred cash losses of Rs 80.22 millions in the current financial year; however, no cash loss was incurred in the previous year.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Nureca Limited for the year ended 31 March 2023 *(Continued)*

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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 22:39:13 +05'30'

Ankush Goel

Partner

Place: New Delhi

Membership No.: 505121

Date: 23 May 2023

ICAI UDIN:23505121BGXPZU6722

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

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Nureca Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

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

provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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.

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

Chartered Accountants

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

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Ankush Goel

Partner

Membership No.: 505121

ICAI UDIN:23505121BGXPZU6722

Place: New Delhi

Date: 23 May 2023