1406, Marathon Icon, Marathon NextGen Campus,
Off. Ganpatrao Kadam Marg, Lower Parel (West),
Mumbai – 400013
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Ph. : +91 22 - 24959129 / 24969575 / 67474723

INDEPENDENT AUDITOR'S REPORT

To the Members of ENZENE BIOSCIENCES LIMITED
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ENZENE BIOSCIENCES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

R. S. SANGHAI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 109094W
MUMBAI

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's Report including Annexures to Director's Report and Company's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 (Ind AS) 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 are also responsible for overseeing the Company's financial reporting process.

R. S. SANGHAI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 109094W
MUMBAI

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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.

R. S. SANGHAI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 109094W
MUMBAI

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 financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable in "Annexure A".

2. As required by Section 143(3) of the Act, based on our audit, 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

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

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) 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

R. S. SANGHAI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 109094W
MUMBAI

our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. – Refer Note 3.26 to the financial.

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

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

For **R.S. SANGHAI & ASSOCIATES**
Chartered Accountants
Firm's registration number: 109094W

Ramashankar Sanghai
Digitally signed by Ramashankar Sanghai
Date: 2021.05.21 20:35:28 +05'30'

R.S. SANGHAI
Partner
M. No.: 036931

Place: Mumbai
Date: 21st May, 2021

UDIN No.	2	1	0	3	6	9	3	1	A	A	A	A	R	M	6	8	3	8

Re: ENZENE BIOSCIENCES LIMITED

“Annexure A” to the Independent Auditors’ Report for the year ended 31st March, 2021:

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Ind AS financial statements of the Company for the year ended 31st March, 2021, we report that:

i) In respect of the Company’s fixed assets:

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.

ii) (a) The management has conducted physical verification of inventory at reasonable intervals;

(b) The discrepancies noticed on physical verification of the inventory as compared to book records which has been properly dealt with in the books of account were not material.

iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

R. S. SANGHAI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 109094W
MUMBAI

vii) (a) According to information and explanations given to us and on the basis of our examination of the records of the Company amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Goods & Service Tax, Income-Tax, Duty of Customs, Cess and any other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2021, for a period of more than six months from the date on when they become payable.

(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of customs duty, goods & service tax & excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax & Value Added Tax as at 31st March, 2021, which have not been deposited on account of dispute, are as follows-

Name of the Statute	Nature of Dues	Total Amount (Rs. In Lakhs)	Amount deposited (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act 1961	Income Tax	240.79	48.16	F.Y. 2015-16 (A.Y. 2016-17)	The Commissioner of Income Tax (Appeals)
Karnataka Value Added Tax Act, 2003	Value Added Tax	226.00	67.80	F.Y. 2015-16 (A.Y. 2016-17)	Joint Commissioner of Commercial Taxes (Appeals), Bangalore
Total		**466.79**	**115.96**		

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of any loan or borrowing to any bank/ financial institution. The Company has not taken any loan from the government and has not issued any debentures.

ix) Based on the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of para 3(ix) of the Order are not applicable to the Company and hence not commented upon.

x) Based on the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

R. S. SANGHAI & ASSOCIATES CHARTERED ACCOUNTANTS FRN - 109094W MUMBAI

xi) Based on the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Therefore, the provisions of para 3 (xii) of the Order are not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.

xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of para 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

xv) Based on the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **R.S. SANGHAI & ASSOCIATES**
Chartered Accountants
Firm's registration number: 109094W

R. S. SANGHAI & ASSOCIATES CHARTERED ACCOUNTANTS FRN - 109094W MUMBAI

Ramashankar Sanghai
Digitally signed by Ramashankar Sanghai
Date: 2021.05.21 20:36:31 +05'30'

R.S. SANGHAI
Partner
M. No.: 036931

Place: Mumbai
Date: 21st May, 2021

UDIN No.	2	1	0	3	6	9	3	1	A	A	A	A	R	M	6	8	3	8

Re: ENZENE BIOSCIENCES LIMITED

"Annexure B" to the Independent Auditors' Report for the year ended 31st March, 2021:

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **ENZENE BIOSCIENCES LIMITED** ("the Company") as of 31st March, 2021, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

R. S. SANGHAI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 109094W
MUMBAI

Our audit involves performing procedures to obtain audit evidence about 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 Ind AS 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 Ind AS 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting 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.

For **R.S. SANGHAI & ASSOCIATES**
Chartered Accountants
Firm's registration number: 109094W

R.S. SANGHAI & ASSOCIATES CHARTERED ACCOUNTANTS FRN - 109094W MUMBAI

Ramashankar Sanghai
Digitally signed by Ramashankar Sanghai
Date: 2021.05.21 20:37:09 +05'30'

R.S. SANGHAI
Partner
M. No.: 036931

Place: Mumbai
Date: 21st May, 2021

UDIN No.	2	1	0	3	6	9	3	1	A	A	A	A	R	M	6	8	3	8

ENZENE BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Rs.)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I. ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3.1	1,95,26,25,380	2,00,80,20,140
(b) Capital work in progress	3.1	7,36,73,818	7,50,46,573
(c) Other intangible assets	3.1	3,12,00,976	3,22,89,714
(d) Other tax assets	3.39A	5,08,84,842	3,54,33,962
(e) Other non-current assets	3.2	1,58,14,778	26,52,972
Total Non-current assets		2,12,41,99,794	2,15,34,43,361
2 Current assets			
(a) Inventories	3.3	14,28,14,799	14,33,91,301
(b) Financial Assets			
(i) Trade receivables	3.4	2,89,55,644	-
(ii) Cash and cash equivalents	3.5	2,58,19,380	4,79,79,094
(iii) Bank balances other than (ii) above	3.6	42,41,82,121	78,06,32,232
(iv) Loans	3.7	1,08,339	2,25,363
(v) Other current financial assets	3.8	3,15,60,129	11,16,27,785
(c) Other current assets	3.9	43,49,29,048	32,28,65,751
Total Current assets		1,08,83,69,460	1,40,67,21,526
TOTAL ASSETS		3,21,25,69,254	3,56,01,64,887
II. EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	3.10	36,82,36,600	32,35,48,550
(b) Other equity **(Refer statement of changes in equity)**		2,15,31,83,112	2,41,77,76,909
(c) Share application money pending allotment		1,00,011	-
Total Equity		2,52,15,19,723	2,74,13,25,459
2 Non-Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	3.11	1,35,72,576	1,85,71,071
(b) Provisions	3.12	1,98,09,466	1,50,59,360
(c) Other non-current liabilities	3.13	44,67,194	-
Total Non-Current liabilities		3,78,49,236	3,36,30,431
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	3.14	36,57,21,619	55,86,19,071
(ii) Trade payables			
(a) Dues of micro & small enterprises	3.15	27,52,946	25,35,604
(b) Dues of creditors other than micro & small enterprises	3.15	11,32,03,807	12,22,81,827
(iii) Other financial liabilities	3.16	5,49,43,285	5,73,51,826
(b) Other current liabilities	3.17	11,25,93,395	4,11,04,092
(c) Provisions	3.18	39,85,243	33,16,577
Total Current liabilities		65,32,00,295	78,52,08,997
TOTAL EQUITY AND LIABILITIES		3,21,25,69,254	3,56,01,64,887
Significant Accounting Policies	1B		
Critical accounting judgements and key sources of estimation uncertainty	2		
Notes to Accounts	3		

The accompanying notes are an integral part of financial statements.

As per our Report of even date
For R.S.Sanghai & Associates
Chartered Accountants
Firm's Registration No. 109094W

Ramashankar Sanghai Digitally signed by Ramashankar Sanghai Date: 2021.05.21 20:37:59 +05'30'

R.S.SANGHAI
Partner
Membership No. 036931
Place: Pune
Date: 21st May, 2021

For & on behalf of the Board,
For Enzene Biosciences Limited
CIN No: U24232PN2006PLC165610

GADGIL HIMANSHU SHASHIKANT Digitally signed by GADGIL HIMANSHU SHASHIKANT Date: 2021.05.21 19:45:50 +05'30'

Himanshu Gadgil
Director
DIN No.: 07548149

Basudeo Narayan Singh Digitally signed by Basudeo Narayan Singh Date: 2021.05.21 20:21:27 +05'30'

B. N. Singh
Director
DIN No.: 00760310

VIRAL PANKAJKUMAR SHAH Digitally signed by VIRAL PANKAJKUMAR SHAH Date: 2021.05.21 19:46:22 +05'30'

Viral Shah
Chief Financial Officer

SHARMA RENU JAGDISH Digitally signed by SHARMA RENU JAGDISH Date: 2021.05.21 19:52:59 +05'30'

Renu Sharma
Company Secretary

ENZENE BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1 Income			
(a) Revenue from operations	**3.19**	**29,74,48,913**	9,66,20,961
(b) Other income	**3.20**	**4,84,15,343**	6,10,25,776
Total Income		**34,58,64,256**	15,76,46,737
2 Expenses			
(a) Cost of materials consumed	**3.21**	**51,20,04,361**	34,53,88,176
(b) Changes in inventories of work-in-progress	**3.22**	**1,91,92,888**	(8,66,03,982)
(c) Employee benefits expense	**3.23**	**28,22,08,977**	19,28,67,923
(d) Finance costs	**3.24**	**3,97,00,322**	3,39,36,274
(e) Depreciation and amortisation expenses	**3.1**	**15,75,56,664**	6,46,83,143
(f) Contract research and development expenses		**12,85,51,748**	3,88,55,970
(g) Other expenses	**3.25**	**22,83,00,657**	12,75,10,327
Total Expenses		**1,36,75,15,617**	71,66,37,831
3 Profit/(Loss) before tax (1) - (2)		**(1,02,16,51,361)**	(55,89,91,094)
4 Tax expenses			
(a) Current tax		**-**	-
(b) Deferred tax		**-**	-
		-	-
5 Profit/(Loss) for the period (3) - (4)		**(1,02,16,51,361)**	(55,89,91,094)
6 Other Comprehensive Income/ (Expense)			
(a) Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plans		**(17,00,056)**	(2,74,646)
Total of Other Comprehensive Income/ (Expense) for the period, net of tax		**(17,00,056)**	(2,74,646)
7 Total Comprehensive Income/ (Expense) for the period (5) + (6)		**(1,02,33,51,417)**	(55,92,65,740)
8 Basic and diluted earnings per share	**3.30**	**(29.77)**	(19.44)

Significant Accounting Policies	**1B**
Critical accounting judgements and key sources of estimation	**2**
Notes to Accounts	**3**

The accompanying notes are an integral part of financial statements.

As per our Report of even date
For R.S.Sanghai & Associates
Chartered Accountants
Firm's Registration No. 109094W

Ramashankar Sanghai Digitally signed by Ramashankar Sanghai Date: 2021.05.21 20:38:49 +05'30'

R.S.SANGHAI
Partner
Membership No. 036931
Place: Pune
Date: 21st May, 2021

For & on behalf of the Board,
For Enzene Biosciences Limited
CIN No: U24232PN2006PLC165610

GADGIL HIMANSHU SHASHIKANT Digitally signed by GADGIL HIMANSHU SHASHIKANT Date: 2021.05.21 19:46:57 +05'30'

Himanshu Gadgil
Director
DIN No.: 07548149

Basudeo Narayan Singh Digitally signed by Basudeo Narayan Singh Date: 2021.05.21 20:22:04 +05'30'

B. N. Singh
Director
DIN No.: 00760310

VIRAL PANKAJKUMAR SHAH Digitally signed by VIRAL PANKAJKUMAR SHAH Date: 2021.05.21 19:47:50 +05'30'

Viral Shah
Chief Financial Officer

SHARMA RENU JAGDISH Digitally signed by SHARMA RENU JAGDISH Date: 2021.05.21 19:53:43 +05'30'

Renu Sharma
Company Secretary

ENZENE BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

(a) Equity share capital	**As at 31st March, 2021**		As at 31st March, 2020	
	No. of Shares	**Amount**	No. of Shares	Amount
Balance at the beginning of the reporting period	**3,23,54,855**	**32,35,48,550**	2,51,23,480	25,12,34,800
Changes in equity share capital during the year	**44,68,805**	**4,46,88,050**	72,31,375	7,23,13,750
Balance at the end of the reporting period	**3,68,23,660**	**36,82,36,600**	3,23,54,855	32,35,48,550

(b) Other Equity (Amount in Rs.)

Particulars	**Share Application Money pending allotment**	**General Reserve**	**ESOP**	**Securities Premium**	**Retained Earnings**	**Total other equity**
Balance at 1st April, 2019	1,97,249	9,95,140	1,50,47,715	3,54,07,28,418	(1,76,09,18,329)	1,79,58,52,946
Total comprehensive						
Profit for the year	-	-	-	-	(55,89,91,094)	(55,89,91,094)
Other comprehensive income	-	-	-	-	(2,74,646)	(2,74,646)
ESOP exercised during the year	-	-	(21,26,460)	-	-	(21,26,460)
Addition during the year	(1,97,249)	7,84,466	14,79,134	1,18,18,37,029	-	1,18,41,00,630
Transfer to General Reserve			(7,84,466)			(7,84,466)
Balance at 31st March, 2020	**-**	**17,79,606**	**1,36,15,923**	**4,72,25,65,447**	**(2,32,01,84,069)**	**2,41,77,76,909**
Total comprehensive						
Profit for the year	-	-	-	-	(1,02,16,51,361)	(1,02,16,51,361)
Other comprehensive income	-	-	-	-	(17,00,056)	(17,00,056)
ESOP exercised during the year	-	-	(32,51,096)	-	-	(32,51,096)
Addition during the year	1,00,011	2,18,701	10,50,494	76,09,58,222	-	76,22,27,417
Transfer to General Reserve	-	-	(2,18,701)	-	-	(2,18,701)
Balance at 31st March, 2021	**1,00,011**	**19,98,307**	**1,11,96,620**	**5,48,35,23,669**	**(3,34,35,35,486)**	**2,15,31,83,112**

Description of the nature and purpose of each reserve within equity:

Share application money pending allotment: Share application money pending allotment represents share application money received from Employee who have exercised ESOP as per ESOP scheme but allotment of shares for the same is pending.

General Reserve: General reserve represents the reversal of ESOP outstanding liability due to forfeiture of ESOP.

ESOP: ESOP represents the systematic transfer of ESOP expenses over the vesting period.

Security Premium: Security premium represents the premium received from the subscribers over and above face value of shares.

Retained Earnings: Retained earnings represents the losses that the company has incurred till date.

The accompanying notes are an integral part of financial statements.

As per our Report of even date
For R.S.Sanghai & Associates
Chartered Accountants
Firm's Registration No. 109094W

Ramashankar Sanghai Digitally signed by Ramashankar Sanghai Date: 2021.05.21 20:43:14 +05'30'

R.S.SANGHAI
Partner
Membership No. 036931
Place: Pune
Date: 21st May, 2021

For & on behalf of the Board,
For Enzene Biosciences Limited
CIN No: U24232PN2006PLC165610

GADGIL HIMANSHU SHASHIKANT Digitally signed by GADGIL HIMANSHU SHASHIKANT Date: 2021.05.21 19:48:30 +05'30'

Himanshu Gadgil
Director
DIN No.: 07548149

Basudeo Narayan Singh Digitally signed by Basudeo Narayan Singh Date: 2021.05.21 20:22:51 +05'30'

B. N. Singh
Director
DIN No.: 00760310

VIRAL PANKAJKUMAR SHAH Digitally signed by VIRAL PANKAJKUMAR SHAH Date: 2021.05.21 19:48:56 +05'30'

Viral Shah
Chief Financial Officer

SHARMA RENU JAGDISH Digitally signed by SHARMA RENU JAGDISH Date: 2021.05.21 19:54:17 +05'30'

Renu Sharma
Company Secretary

ENZENE BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A.	**Cash flow from operating activities**		
	Net profit before tax	**(1,02,16,51,361)**	(55,89,91,094)
	Adjustment for:		
	Depreciation and amortisation expenses	**15,75,56,664**	6,46,83,143
	Employee stock compensation expenses	**10,50,494**	14,79,135
	Loss on sale/obsolescence of property plant and equipments (net)	**28,77,257**	12,98,962
	Net Interest paid/(received)	**(50,34,795)**	(2,47,12,738)
	Subtotal of adjustments	**15,64,49,620**	4,27,48,502
	Operating profit before working capital changes	**(86,52,01,741)**	(51,62,42,591)
	Adjustment for:		
	Decrease / (Increase) in loans	**1,17,024**	31,518
	Decrease / (Increase) in inventories	**5,76,502**	(14,33,91,301)
	Decrease / (Increase) in other financial assets and other assets	**(3,19,95,644)**	(22,49,64,932)
	(Increase) / Decrease in trade receivables	**(2,89,55,644)**	-
	(Decrease) / Increase in trade payable	**(1,05,60,734)**	4,52,17,461
	(Decrease) / Increase in other financial liabilities and other liabilities	**6,71,18,125**	(4,45,94,744)
	Increase / (Decrease) in provisions	**54,18,772**	31,43,818
	Subtotal of adjustments	**17,18,400**	(36,45,58,180)
	Cash generated from operations	**(86,34,83,341)**	(88,08,00,771)
	Less: Direct taxes paid	**1,54,50,879**	1,65,44,008
	Net Cash (used)/ generated from operating activities	**(87,89,34,220)**	(89,73,44,779)
B.	**Cash flow from investing activities**		
	Purchases of property, plant and equipment (Net)	**(10,41,53,466)**	(66,48,26,014)
	Redemption/(investments) of bank deposits having maturity of more than 3 months	**35,64,50,111**	(16,30,428)
	Interest received	**4,47,35,117**	5,86,49,012
	Net Cash (used)/ generated from investing Activities	**29,70,31,762**	(60,78,07,430)
C.	**Cash flow from financing activities**		
	Repayment of lease liabilities	**(1,01,54,669)**	(90,67,048)
	(Repayment) of / Proceeds from current borrowings (net)	**(19,28,97,452)**	32,28,32,348
	Share application money received	**1,00,011**	-
	Proceeds from issue of shares	**80,23,95,176**	1,25,18,27,069
	Interest paid	**(3,97,00,322)**	(3,39,36,275)
	Net Cash (used)/ generated from financing activities	**55,97,42,744**	1,53,16,56,094
D.	**Net Increase/ (Decrease) in Cash & cash equivalents (A+B+C)**	**(2,21,59,714)**	2,65,03,884
E.	**Cash & cash equivalents as at 1st April, 2020**	**4,79,79,094**	2,14,75,210
F.	**Cash & cash equivalents as at 31st March, 2021 (D+E)**	**2,58,19,380**	4,79,79,094

Notes:
The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) on Cash Flow Statement.

The accompanying notes are an integral part of financial statements

As per our Report of even date
For R.S.Sanghai & Associates
Chartered Accountants
Firm's Registration No. 109094W

Ramashankar Sanghai
Digitally signed by Ramashankar Sanghai
Date: 2021.05.21 20:49:14 +05'30'

R.S.SANGHAI
Partner
Membership No. 036931
Place: Pune
Date: 21st May, 2021

For & on behalf of the Board,
For Enzene Biosciences Limited
CIN No: U24232PN2006PLC165610

GADGIL HIMANSHU SHASHIKANT
Digitally signed by GADGIL HIMANSHU SHASHIKANT
Date: 2021.05.21 19:49:51 +05'30'

Himanshu Gadgil
Director
DIN No.: 07548149

Basudeo Narayan Singh
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Date: 2021.05.21 20:23:43 +05'30'

B. N. Singh
Director
DIN No.: 00760310

VIRAL PANKAJKUMAR SHAH
Digitally signed by VIRAL PANKAJKUMAR SHAH
Date: 2021.05.21 19:50:19 +05'30'

Viral Shah
Chief Financial Officer

SHARMA RENU JAGDISH
Digitally signed by SHARMA RENU JAGDISH
Date: 2021.05.21 19:54:51 +05'30'

Renu Sharma
Company Secretary

1A General Information:

Enzene Biosciences Limited ('the Company') was incorporated in 2006 under the provisions of Companies Act,1956. The Company is domiciled in India with its registered office address being, Plot No. A 22, A/1/2 Chakan Industrial Area, Phase 2, Khalumbre, Chakan, Pune 410501, Maharashtra, India. The Company is engaged in the business of research & development of Biotechnology Products.

1B SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation of financial statements:

The financial statements of the company as at and for the year ended 31st March, 2021 have been prepared in accordance with Indian Accounting standards ('Ind AS') notified by the Ministry of Corporate Affairs in consultation with the National Advisory Committee on Accounting Standards, under section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (As amended) and the relevant provisions of the Act.

The Financial statement are prepared in Indian rupees.

The preparation of financial statements in accordance with Ind AS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in **Note 2**. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:
a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current wher
a) it is expected to be settled in normal operating cycle,
b) it is held primarily for the purpose of trading,
c) it is due to be settled within twelve months after the reporting period,
d) 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.

1.2 Property, plant and equipment("PPE"):

a) Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying Property, plant and equipment up to the date the asset is ready for its intended use incurred up to that date. Subsequent expenditure relating to Property, plant and equipment is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

b) Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of Property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

1.3 Intangible assets:

I. Recognition and measurement

Research and development	Expenditure on research activities is recognised in profit or loss as incurred.
	Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets	Other intangible assets, such as computer software and trademarks and patents, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

1.4 Depreciation and amortisation:

Depreciation is provided on a straight line basis for all assets. Depreciation is provided based on the useful life of assets. Pursuant to Schedule II of Companies Act, 2013, the remaining useful life has been revised wherever appropriate based on an evaluation by an independent valuer. The carrying amount as on 1st April, 2014 and addition made thereafter is depreciated over the revised remaining useful life as under-

Tangible assets	Useful life
Leasehold Land	Amortized over the period of Lease
Building	5 Years to 30 Years
Plant and Machinery	1 Year to 20 Years
Furniture and Fixtures	10 Years
Office Equipments	3 Years to 6 Years
Assets individually costing less than or equal to Rs.5,000	1 Year

Intangible assets	Useful life
Computer Software	3 to 6 Years
Right of Use	Over the period of lease

1.5 Impairment of assets:

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) 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 are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units("CGU"). The recoverable amount of an asset or CGU is the greater 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed 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 amortisation, if no impairment loss had been recognised.

1.6 Leases:

The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset;
(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability or all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend the lease before the end of the lease term, but the renewal aspect has not been added to the lease term since the option to renew the lease lies with both the lessor and the lessee.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.
The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using discount rates generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet.

1.7 Financial instruments:

Financial instruments are recognised when the company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset.

(a) Financial assets

The Company determines the classification of its financial assets at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The financial assets are classified in the following measurement categories:

a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and

b) Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

The Company follows trade date accounting for all regular way purchase or sale of financial assets.

(i) Amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

a) The asset is held within a business model with the objective of collecting the contractual cash flows, and

b) The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are measured at amortised cost using the effective interest rate (EIR) method, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the Statement of Profit or Loss in other income.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

(iii) Financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss:

a) Debt investments that do not qualify for measurement at amortised cost;

b) Debt investments that do not qualify for measurement at fair value through other comprehensive income; and

c) Debt investments that have been designated at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are carried in the Balance Sheet at fair value with net changes in fair value presented as finance costs in profit or loss. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in other income.

If Company elects to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments shall continue to be recognised in profit or loss as other income when the Company's' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss shall be recognised in other gain/(losses) in the statement of profit or loss as applicable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recognised using the effective interest rate (EIR), which is the rate that discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired financial asset is recognised using the original EIR.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(b) Financial liabilities

The Company determines the classification of its financial liabilities at initial recognition.

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. At initial recognition, the Company measures financial liabilities at its fair value. Financial liabilities at fair value through profit and loss are carried in the Balance Sheet at fair value with changes recognised in the Statement of Profit and Loss.

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction cost incurred and are subsequently measured at amortised cost, using the EIR method. Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest charge over the relevant effective interest rate period. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

A financial liability is derecognised 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counter party.

1.8 Equity instruments:

Equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issuance costs.

1.9 Inventories:

a) Raw Materials and Packing Materials are valued at cost, if the finished products in which they will be incorporated are expected to be sold at or above cost. If the decline in price of materials indicate that the cost of finished goods exceeds net realisable value, the materials are written down to net realisable value; cost is calculated on moving weighted average basis.

b) Finished Goods and Work–in–Progress are valued at lower of cost (on Moving weighted average basis) and net realisable value. In respect of finished goods & Work-in Progress, cost includes materials, appropriate share of utilities, other overheads and non refundable taxes. Trading Goods are valued at lower of cost (on Moving weighted average basis) and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

c) Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

1.10 Revenue recognition:

a) Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties, in writing, to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services (“performance obligations”) to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (“transaction price”). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

b) Revenue from sale of goods is recognized when a performance obligation is satisfied, i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer by the Company and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods as well as regarding its ultimate collection. Revenue from product sales is stated net of returns, GST and applicable trade discounts and allowances. Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable and are also netted off for probable saleable and non-saleable return of goods from the customers, estimated on the basis of historical data of such returns.

c) Revenue for a sales-based or usage-based royalty promised in exchange for a licence of intellectual property is recognized only when (or as) the later of the following events occurs:
(a) the subsequent sale or usage occurs; and
(b) the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated has been satisfied (or partially satisfied).

1.11 Foreign currencies:

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions. The functional and presentation currency of the Company is Indian Rupees.

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. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:
• Equity investments measured at fair value through other comprehensive income (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
• A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and qualifying cash flow hedges to the extent that the hedges are effective.

1.12 Employee benefits:

a) Post Employment Benefits and Other Long Term Benefits:
i) Defined Contribution Plan:
Company’s contribution for the year paid/payable to defined contribution retirement benefit schemes are charged to Statement of Profit and Loss
The Company’s contribution towards provident fund and superannuation fund for certain eligible employees are considered to be defined contribution plan for which the Company made contribution on monthly basis.

ii) Defined Benefit and Other Long Term Benefit Plans:
Company’s liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences expected to occur after twelve months, are determined using the Projected Unit Credit Method. Actuarial valuations under the Projected Unit Credit Method are carried out at the balance sheet date. Actuarial gains and losses are recognised in the Statement of Other Comprehensive income in the period of occurrence of such gains and losses. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets, if any.

b) Short term Employee Benefits:
Short term employee benefits are benefits payable and recognised in 12 months. Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the year as the related service are rendered by the employee. These benefits include performance incentives.

1.13 Taxes on income:

Income tax expense represents the sum of the current tax and deferred tax.

Current tax payable or recoverable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Profit and Loss because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using Indian tax rates and laws that have been enacted by the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset shall be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only if the company currently has a legally enforceable right to set-off the current income tax assets and liabilities.

1.14 Borrowing costs:

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible Property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense in the Statement of Profit and Loss of the period in which they are incurred.

1.15 Provision, contingent liabilities and contingent assets:

A provision is recognised if as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount can not be estimated reliably. Contingent liabilities do not warrant provisions but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

1.16 Earnings per share ('EPS'):

Basic EPS is computed using the weighted average number of equity shares outstanding during the period. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

1.17 Government grants:

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

1.18 Employee stock option scheme:

The excess of fair value of shares, at the date of grant of options under the Employee stock option scheme of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

Note 2: Critical accounting judgements and key sources of estimation uncertainty

The Company prepares its financial statements in accordance with Ind AS as issued by the MCA, the application of which often requires judgements to be made by management when formulating the Company's financial position and results. The Directors are required to adopt those accounting policies most appropriate to the Company's circumstances for the purpose of presenting fairly the Company's financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Management considers the accounting estimates and assumptions discussed below to be its critical accounting estimates and, accordingly, provide an explanation of each below. The discussion below should also be read in conjunction with the Company's disclosure of significant accounting policies which are provided in note 1 to the financial statements, 'Significant accounting policies'.

a. Estimate of current and deferred tax

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material profits/losses and/or cash flows.

b. Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

c. Estimation of useful life

The useful life used to amortise or depreciate intangible assets or property, plant and equipment respectively relates to the expected future performance of the assets acquired and management's judgement of the period over which economic benefit will be derived from the asset. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Profit and Loss.

The useful lives and residual values of Company's assets are determined by management as per schedule II of the Companies Act, 2013.

d. Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

ENZENE BIOSCIENCES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

3.1 Property, plant and equipment, Capital work in progress and Other intangible assets

(Amount in Rs.)

Particulars	Tangible Assets						Intangible assets			Capital work in progress
	Leasehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Total	Computer software	Right of Use	Total	
At Cost										
As at 1st April, 2019	**10,63,02,960**	**3,14,66,260**	**47,72,48,309**	**1,99,92,432**	**1,33,33,728**	**64,83,43,689**	**51,15,269**	**-**	**51,15,269**	**-**
Additions	-	60,29,11,409	84,62,28,539	2,92,82,833	3,84,20,575	1,51,68,43,356	61,54,154	3,29,45,125	3,90,99,279	-
Deletions	-	-	26,68,442	-	-	26,68,442	-	-	-	-
As at 31st March, 2020	**10,63,02,960**	**63,43,77,669**	**1,32,08,08,406**	**4,92,75,265**	**5,17,54,303**	**2,16,25,18,603**	**1,12,69,423**	**3,29,45,125**	**4,42,14,548**	**-**
Additions	**-**	68,62,216	7,14,79,511	21,66,856	90,52,714	8,95,61,297	24,01,220	1,15,86,006	1,39,87,226	
Deletions			47,54,716	10,40,330	5,18,361	63,13,407	3,02,000		3,02,000	
As at 31st March, 2021	**10,63,02,960**	**64,12,39,885**	**1,38,75,33,200**	**5,04,01,791**	**6,02,88,656**	**2,24,57,66,492**	**1,33,68,643**	**4,45,31,131**	**5,78,99,774**	**-**
Depreciation and Amortisation										
As at 1st April, 2019	**24,80,148**	**72,28,071**	**7,88,39,038**	**52,40,441**	**66,70,897**	**10,04,58,595**	**26,13,272**	**-**	**26,13,272**	**-**
Depreciation / amortisation charge for the year	11,18,979	76,82,965	3,99,14,743	25,55,149	40,99,745	5,53,71,581	15,07,827	78,03,735	93,11,562	-
Deductions	-	-	13,31,713	-	-	13,31,713	-	-	-	-
As at 31st March, 2020	**35,99,127**	**1,49,11,036**	**11,74,22,068**	**77,95,590**	**1,07,70,642**	**15,44,98,463**	**41,21,099**	**78,03,735**	**1,19,24,834**	**-**
Depreciation / amortisation charge for the year	11,18,979	2,84,78,377	9,38,10,347	83,31,912	1,07,42,400	14,24,82,014	34,08,913	1,16,65,737	1,50,74,650	
Deductions			25,82,651	7,38,369	5,18,346	38,39,365	3,00,685		3,00,685	
As at 31st March, 2021	**47,18,106**	**4,33,89,413**	**20,86,49,765**	**1,53,89,133**	**2,09,94,696**	**29,31,41,112**	**72,29,327**	**1,94,69,472**	**2,66,98,799**	**-**
Net Book Value										
As at 31st March, 2020	10,27,03,833	61,94,66,633	1,20,33,86,338	4,14,79,675	4,09,83,661	2,00,80,20,140	71,48,324	2,51,41,390	3,22,89,714	7,50,46,573
As at 31st March, 2021	**10,15,84,854**	**59,78,50,472**	**1,17,88,83,436**	**3,50,12,659**	**3,92,93,959**	**1,95,26,25,380**	**61,39,316**	**2,50,61,659**	**3,12,00,976**	**7,36,73,818**

ENZENE BIOSCIENCES LIMITED

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

Particulars		**As at 31st March, 2021**	As at 31st March, 2020
3.2 : OTHER NON-CURRENT ASSETS:			
Capital advances		**1,58,14,778**	26,52,972
	TOTAL	**1,58,14,778**	26,52,972
3.3 : INVENTORIES:			
(Refer Note 1.9)			
Raw material and packing material		**7,54,03,705**	5,67,87,319
Work-in-progress		**6,74,11,094**	8,66,03,982
	TOTAL	**14,28,14,799**	14,33,91,301
3.4 : TRADE RECEIVABLES:			
Considered good, Unsecured **(Refer Note 3.35)**		**2,89,55,644**	-
	TOTAL	**2,89,55,644**	-
3.5 : CASH AND CASH EQUIVALENTS:			
Cash on hand		**26,983**	19,189
Balance with Banks:			
In Current Accounts		**2,57,92,397**	4,79,59,905
	TOTAL	**2,58,19,380**	4,79,79,094
3.6 : OTHER BANK BALANCES:			
Bank deposits with maturity within 12 months		**42,41,82,121**	78,06,32,232
	TOTAL	**42,41,82,121**	78,06,32,232
Bank deposits of **Rs.42,41,82,121** (31 March 2020: Rs.66,75,00,000) are under lien with the banks against overdraft facility & Bank Guarantee.			
3.7 : LOANS:			
Loans and advances to employees		**1,08,339**	2,25,363
(Considered good, unsecured unless otherwise stated)			
	TOTAL	**1,08,339**	2,25,363
3.8 : OTHER CURRENT FINANCIAL ASSETS:			
Security deposits		**1,59,78,610**	1,61,29,826
Government grant receivable **(Refer Note 3.40)**		**54,00,000**	-
Other receivables*		**1,01,81,519**	9,54,97,959
* Other receivables include amount due from related parties **Rs.1,01,81,519** (Previous Year Rs.9,54,97,959) - **Refer Note 3.34**			
	TOTAL	**3,15,60,129**	11,16,27,785
3.9 : OTHER CURRENT ASSETS:			
Balances with government authorities		**41,59,86,252**	30,64,39,565
Advance to suppliers:			
Considered good		**1,17,82,344**	1,06,37,212
Less: Provision for doubtful advances		**-**	-
		1,17,82,344	1,06,37,212
Prepaid expenses		**71,60,452**	57,88,974
	TOTAL	**43,49,29,048**	32,28,65,751

ENZENE BIOSCIENCES LIMITED

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
3.10 : EQUITY SHARE CAPITAL:		
Authorised:		
5,00,00,000 equity shares of Rs.10/- each (31st March, 2020: 5,00,00,000 equity shares of Rs.10/- each)	**50,00,00,000**	50,00,00,000
	50,00,00,000	50,00,00,000
Issued, Subscribed and Paid up:		
3,68,23,660 equity shares of Rs.10/- each fully paid up (31st March, 2020: 3,23,54,855 equity shares of Rs.10/- each fully paid up)	**36,82,36,600**	32,35,48,550
TOTAL	**36,82,36,600**	32,35,48,550

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the period:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number	Rs.	Number	Rs.
At the commencement of the year	**3,23,54,855**	**32,35,48,550**	2,51,23,480	25,12,34,800
Add: Shares issued during the year	**44,36,785**	**4,43,67,850**	72,07,493	7,20,74,930
Add: Shares issued under ESOP	**32,020**	**3,20,200**	23,882	2,38,820
At the end of the year	**3,68,23,660**	**36,82,36,600**	3,23,54,855	32,35,48,550

(b) Rights, preferences and restrictions attached to Equity Shares:

The Company has issued one class of equity shares with voting rights having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the Company remaining after distribution of all preferential amounts in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholders	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Equity Shares of Rs.10 Each (Previous Year Rs.10 Each) held by:				
M/s. Alkem Laboratories Limited	**3,67,63,278**	**99.84%**	3,23,26,493	99.91%

(d) Shares held by Holding Company:

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	Amount in Rs.	Number of Shares	Amount in Rs.
M/s. Alkem Laboratories Limited	**3,67,63,278**	**36,76,32,780**	3,23,26,493	32,32,64,930

ENZENE BIOSCIENCES LIMITED

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

Particulars	As at 31st March, 2021	As at 31st March, 2020
3.11 : OTHER NON CURRENT FINANCIAL LIABILITIES:		
Secured:		
Lease Liabilities **(Refer Note 3.32)**	**1,35,72,576**	1,85,71,071
TOTAL	**1,35,72,576**	1,85,71,071
3.12 : NON CURRENT PROVISIONS:		
Provisions for employee benefits		
Gratuity **(Refer Note 3.28)**	**1,14,73,534**	75,90,493
Compensated absences	**83,35,932**	74,68,867
TOTAL	**1,98,09,466**	1,50,59,360
3.13 : OTHER NON CURRENT LIABILITIES:		
Deferred Government grant **(Refer Note 3.40)**	**44,67,194**	-
TOTAL	**44,67,194**	-
3.14 : CURRENT BORROWINGS:		
Secured		
Loans repayable on demand from Banks	**36,57,21,619**	55,86,19,071
TOTAL	**36,57,21,619**	55,86,19,071
Notes: 1. As at 31st March, 2021 Overdrafts from Banks **Rs.36,57,21,619** (31st March, 2020 Rs.55,86,19,071) is secured against pledge of Fixed Deposits with the banks. 2. Overdraft Facilities carry a rate of Interest ranging between 6.41% - 7.33% p.a. computed on a monthly basis on the actual amount utilized, and are repayable on demand.		
3.15 : TRADE PAYABLES:		
Dues of micro and small enterprises **(Refer note 3.27)**	**27,52,946**	25,35,604
Dues of creditors other than micro and small enterprises	**11,32,03,807**	12,22,81,827
TOTAL	**11,59,56,753**	12,48,17,431
3.16 : OTHER CURRENT FINANCIAL LIABILITIES:		
Employee payables	**1,46,36,439**	95,14,699
Accrual for expenses	**2,85,70,008**	4,25,30,120
Lease Liabilities **(Refer Note 3.32)**	**1,17,36,838**	53,07,007
TOTAL	**5,49,43,285**	5,73,51,826
3.17 : OTHER CURRENT LIABILITIES:		
Due to statutory authorities*	**66,10,983**	50,44,437
Advances from customers	**10,30,49,460**	3,06,28,210
Deferred Government grant **(Refer Note 3.40)**	**29,32,952**	54,31,445
TOTAL	**11,25,93,395**	4,11,04,092
* Dues to statutory authorities includes TDS payable, PF, ESIC payable.		
3.18 : CURRENT PROVISIONS:		
Provision for employee benefits:		
Gratuity **(Refer Note 3.28)**	**12,09,953**	3,30,862
Compensated absences	**27,75,290**	29,85,715
TOTAL	**39,85,243**	33,16,577

ENZENE BIOSCIENCES LIMITED
NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

(Amount in Rs.)

Particulars		For the year ended 31st March, 2021	For the year ended 31st March, 2020
3.19 : REVENUE FROM OPERATIONS:			
Revenue from contracts with customers			
-Sale of Goods & Services		**15,51,60,807**	-
-Sale of R&D Sample		**13,57,720**	96,46,500
Other operating revenues			
Recovery on account of Clinical Trial Batches		**14,07,92,702**	8,69,74,461
Government subsidy income **(Refer Note 1.17)**		**1,37,684**	-
	TOTAL	**29,74,48,913**	9,66,20,961
3.20 : OTHER INCOME:			
Interest on bank deposits		**4,47,35,117**	5,86,49,012
Other interest		**20,156**	4,07,052
Foreign currency transactions and translation gain (net)		**35,00,990**	18,33,697
Miscellaneous receipt		**1,59,080**	1,36,015
	TOTAL	**4,84,15,343**	6,10,25,776
3.21 : COST OF MATERIALS CONSUMED:			
Raw & Packing material consumed		**51,20,04,361**	34,53,88,176
	TOTAL	**51,20,04,361**	34,53,88,176
3.22 : CHANGES IN INVENTORIES OF WORK-IN-PROGRESS:			
Opening Stock:			
Work-in-progress		**8,66,03,982**	-
Less: Closing stock:			
Work-in-progress		**6,74,11,094**	8,66,03,982
	TOTAL	**1,91,92,888**	(8,66,03,982)
3.23 : EMPLOYEE BENEFITS EXPENSE:			
Salaries, wages and bonus		**25,90,44,529**	17,68,99,185
Contribution to provident and other funds **(Refer Note 3.28)**		**1,19,91,736**	90,54,053
Employee stock compensation expenses **(Refer Note 3.33)**		**10,50,494**	14,79,135
Employees' welfare expenses		**1,01,22,218**	54,35,550
	TOTAL	**28,22,08,977**	19,28,67,923
3.24 : FINANCE COSTS:			
Interest expenses on			
-Bank overdraft and others		**3,55,32,432**	2,91,70,982
-Defined benefit liabilities **(Refer Note 3.28)**		**4,90,950**	3,14,127
Other borrowing cost		**36,76,940**	44,51,164
	TOTAL	**3,97,00,322**	3,39,36,274
3.25 : OTHER EXPENSES:			
Power and fuel		**10,39,83,897**	3,75,09,916
Rent **(Refer Note 3.32)**		**-**	4,24,210
Rates and taxes		**11,89,959**	14,39,222
Insurance		**80,25,802**	38,68,737
Legal and professional Fees		**3,02,07,112**	3,96,56,755
Travelling and conveyance		**1,93,79,568**	1,29,65,856
Repairs:			
- Buildings		**15,99,564**	3,91,960
- Plant and machineries		**2,62,12,383**	1,30,56,233
- Others		**23,59,755**	20,85,741
Loss on sale/obsolescence of property plant and equipments (net)		**28,77,257**	12,98,962
Communication and printing expenses		**77,90,142**	46,70,991
Vehicle expenses		**42,66,323**	35,33,419
Gowning & Apron expenses		**1,08,32,041**	26,82,615
Office maintenance expenses		**34,37,621**	16,75,709
Fines and penalties		**1,70,777**	34,322
Miscellaneous expenses **(Refer Note 3.38)**		**59,68,456**	22,15,679
	TOTAL	**22,83,00,657**	12,75,10,327

3.26 Contingent Liabilities and Commitments

a) Contingent Liabilities not provided For (Amount in Rs.)

Sr.No.	Particulars	As at	
		31st March, 2021	31st March, 2020
1	**Claims against the Company not acknowledged as debt**		
	i) Income Tax Demand disputed in appeal {Advances paid in dispute Rs. 48,15,880 (31st March 2020 : Rs 48,15,880)}	2,40,79,409	2,40,79,409
	ii) Value Added Tax demand disputed in appeal {Advances paid in dispute Rs. 67,80,072 (31st March 2020 : Rs Nil)}	2,26,00,236	-
	Total	**4,66,79,645**	**2,40,79,409**

The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities wherever applicable, in its financial statement. The Company does not expect the outcome of these proceedings to have materially adverse effect on its financial statements.

b) Commitments (Amount in Rs.)

Sr.No.	Particulars	As at	
		31st March, 2021	31st March, 2020
1	Estimated amount of contracts remaining to be executed on Capital Accounts (advances paid Rs.1,58,14,778) (for the year ended 31st March, 2020 Advance Paid Rs.19,70,035)	**27,48,71,666**	1,74,28,507

3.27 Dues to Micro and Small enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) certain disclosures are required to be made relating to Micro and Small Enterprises. On the basis of the information and records available with the Company and the same has been relied upon by the auditors, the outstanding dues to the Micro & Small enterprises as defined in MSMED are set out in following disclosure.

(Amount in Rs.)

Sr.No.	Particulars	As at	
		31st March, 2021	31st March, 2020
1	Principal amount remaining unpaid to any supplier as at the year end	**27,52,946**	25,35,604
2	Interest due thereon	**1,50,210**	-
3	The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006) (MSMED Act, 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	**-**	-
4	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 year) but without adding the interest specified under MSMED Act, 2006.	**-**	-
5	The amount of interest accrued and remaining unpaid at the end of each accounting year.	**1,50,210**	-
6	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	**1,50,210**	-

3.28 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The minimum interest rate payable to the beneficiaries every year is being notified by the Government.

The Company has recognised the following amounts in the statement of Profit and Loss: (Amount in Rs)

Particulars	**As at**	
	31st March, 2021	31st March, 2020
- Contribution to Provident Fund	**1,18,44,278**	88,29,000
- Contribution to Employee State Insurance Plan	**1,47,458**	2,25,053
Total	**1,19,91,736**	90,54,053

ii) Defined benefit plan:

The Company earmarks liability towards unfunded Group Gratuity and Compensated absences and provides for payment to vested employees as under:

a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31st March, 2021 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31st March, 2021:

(Amount in Rs.)

Sr. No.	**Particulars**	**As at 31st March, 2021**	As at 31st March, 2020
I)	**Reconciliation in present value of obligations (PVO) – defined benefit obligation:**		
	Current service cost	26,28,430	28,65,499
	Interest Cost	4,90,950	3,14,127
	Actuarial (gain) / losses	17,00,056	2,74,646
	Benefits paid	**(57,304)**	(1,78,565)
	PVO at the beginning of the year	79,21,355	46,45,648
	PVO at end of the year	**1,26,83,487**	79,21,355
II)	**Change in fair value of plan assets**		
	Expected return on plan assets	**-**	-
	Actuarial gain/(losses)	**-**	-
	Contributions by the employer	57,304	1,78,565
	Benefits paid	**(57,304)**	(1,78,565)
	Fair value of plan assets at beginning of the year	**-**	-
	Fair value of plan assets at end of the year	**-**	-
III)	**Reconciliation of PVO and fair value of plan assets:**		
	PVO at end of year	**-**	-
	Actuarial gain/(losses)	**-**	-
	Funded status	**-**	-
	Unrecognised actuarial gain/ (loss)	**-**	-
	Net asset/ (liability) recognised in the balance sheet	**-**	-
IV)	**Net cost for the year**		
	Current service cost	26,28,430	28,65,499
	Interest cost	4,90,950	3,14,127
	Expected return on plan assets	-	-
	Actuarial (gain) / losses	17,00,056	2,74,646
	Net cost	**48,19,436**	34,54,272
V)	**Assumption used in accounting for the gratuity plan:**		
	Discount rate (%)	**6.26%**	6.33%
	Salary escalation rate (%)	**9.00%**	9.00%

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31st March, 2021		31st March, 2020	
	Increase	**Decrease**	Increase	Decrease
Discount rate (1% movement)	**(7,69,171)**	**8,57,723**	(4,95,588)	5,52,813
Future salary growth (1% movement)	**7,38,290**	**(6,87,155)**	5,08,998	(4,70,830)

ENZENE BIOSCIENCES LIMITED
NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

Particulars	As at 31st March 2021	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Defined Benefit Obligation at end of the year	1,26,83,487	79,21,355	46,45,648	21,41,192	14,02,910
Experience (Gain)/Loss Adjustment on plan Liabilities	16,46,110	(35,202)	1,44,610	(3,35,557)	2,81,677
Actuarial (Gain)/Loss due to change on assumption	53,946	3,09,848	11,92,227	(63,969)	(3,09,422)

3.29 Research & Development

(Amount in Rs.)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Aggregate amount of expenditure incurred on Research and Development during the year	**1,03,03,66,382**	58,60,80,597
Total	**1,03,03,66,382**	58,60,80,597

3.30 Earnings per share (EPS)

(Amount in Rs.)

Particulars			Year ended 31 March, 2021	Year ended 31 March, 2020
Profit /(loss) after tax attributable to equity shareholders	In Rs.	A	**(1,02,16,51,361)**	(55,89,91,094)
Number of equity shares at the beginning of the year	Nos.		**3,23,54,855**	2,51,23,480
Equity shares issued during the period	Nos.		**44,68,805**	72,31,375
Number of equity shares outstanding at the end of the year	Nos.		**3,68,23,660**	3,23,54,855
Weighted average number of equity shares outstanding during the period	Nos.	B	3,43,13,818	2,87,56,353
Basic and diluted earnings per equity share (Rs) - Face value of Rs.10 per share	In Rs.	(A / B)	(29.77)	(19.44)

3.31 Disclosure as per Indian Accounting Standard 115 :

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

(Amount in Rs.)

Sr.No.	Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
A	**Revenue as per contracted price**	**15,65,18,527**	96,46,500
B	Adjustments:		
1	Sales return	-	-
2	Discounts	-	-
C	**Revenue from contract with customers (A-B)**	**15,65,18,527**	96,46,500
3	Other operating revenue	**14,09,30,386**	8,69,74,461
D	Total Revenue from operations	**29,74,48,913**	9,66,20,961

3.32 Disclosure as per Indian Accounting Standard 116 on Leases

A. Transition Disclosures

i. Impact on financial statements

On transition to IND AS 116, the entity recognised amount Rs. 3,29,45,125 of right-of-use assets and Rs. 3,29,45,125 of lease liabilities. There was no difference recognised in retained earnings on date of initial application of the standard as the Entity adopted the approach whereby the right-of-use assets are initially measured equal to the lease liability.

When measuring lease liabilities, the entity discounted lease payments using the incremental borrowing rate of the respective lease liability at 1 April 2019. The weighted-average rate applied is as mentioned in below table.

ii. Reconciliation of operating lease commitment as at 31 March 2019 with lease liability recognized as at 1 April 2019:

Operating lease commitment as at 31 March 2019	**4,09,15,243**
Discounted using the incremental borrowing rate at 1 April 2019	**7.73% (1-3 years)** **8.26% (4-6 years**
Lease liability recognized as at 1 April 2019:	**3,29,45,125**

iii. Practical expedients opted by the entity:

(a) Separation of non-lease components from lease components
(b) Application of standard on a portfolio of leases with similar characteristics
(c) Reassessment whether a contract contains a lease as at the date of initial application i.e. 01.04.2019
(d) Non application of IND AS 16 for the leases for which the remaining lease term is less than 12 months as on the date of initial application.
(e) The entity has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
(f) Use of hindsight in determining the lease term if the contract contains options to extend or terminate the lease.

B. Leases as lessee

i. Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment:

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
	Land and Buildings	**Land and Buildings**
Adoption of IND AS 116 "Leases"	2,51,41,390	3,29,45,125
Depreciation charge for the year	1,16,65,737	78,03,735
Additions to right—of—use assets	1,15,86,006	-
Carrying amount of right of use assets as at 31 March 2021	**2,50,61,659**	**2,51,41,390**

ii. Lease liability	**As at 31st March, 2021**	**As at 31st March, 2020**
Maturity analysis of lease liability - discounted contractual cash flows		
Less than one year	1,17,36,838	53,07,007
One to three years	1,35,72,576	1,79,88,310
More than three years	-	5,82,761
Total discounted cash flows	**2,53,09,414**	**2,38,78,078**
Current	1,17,36,838	53,07,007
Non-current	1,35,72,576	1,85,71,071

iii. Amount recognised in profit or loss	**For the year 31st March, 2021**	**For the year 31st March, 2020**
Depreciation and impairment losses		
Depreciation of right of use lease asset	1,16,65,737	78,03,735
Finance cost		
Interest expense on lease liability	28,62,546	26,84,492
	1,45,28,282	**1,04,88,227**

iv. Amount recognised in statement of cash flows	**As at 31st March, 2021**	**As at 31st March, 2020**
Principal component of Cash outflow for long-term leases	1,01,54,669	90,67,048
Interest component of Cash outflow for long-term leases	28,62,546	26,84,492
Total cash outflow for leases	**1,30,17,214**	**1,17,51,540**

3.33 Employee share-based payment plans

As at 31st March, 2021, the company has following share based payment arrangements for employees
ESOS 2016
This Scheme shall be called 'Enzene Employee Stock Option Scheme 2016' ("ESOS 2016"/"Scheme")

ESOS 2016 is established with effect from 15th January, 2016 on which the Shareholders have approved the Scheme by way of a special resolution and shall continue to be in force until (i) its termination by the Board, or (ii) the date on which all of the Employee Stock Options available for issuance under the ESOS 2016 have been issued and exercised, whichever is earlier. The plan entitles key management personnel and senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions; all exercised options shall be settled by physical delivery of shares.

The terms and conditions related to the grant of the shares options are as follows:

1	**Date of Grant**	03-Mar-16
	Exercise price per Option	Rs. 125.80
	Number of Options granted	1,45,600
	Exercise period	2 years from the date of respective vesting
	Vesting Period	1 to 5 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:		
Date of Vesting	**Vesting period after the date of grant**	**Vesting based on time**
3-Mar-17	1 year from the date of grant	5%
3-Mar-18	2 years from the date of grant	15%
3-Mar-19	3 years from the date of grant	20%
3-Mar-20	4 years from the date of grant	30%
3-Mar-21	5 years from the date of grant	30%
	Total	**100%**

2	**Date of Grant**	27-Jan-17
	Exercise price per Option	Rs.10
	Number of Options granted	56,400
	Exercise period	2 years from the date of respective vesting
	Vesting Period	1 to 4 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:		
Date of Vesting	**Vesting period after the date of grant**	**Vesting based on time**
27-Jan-18	1 year from the date of grant	15%
27-Jan-19	2 years from the date of grant	25%
27-Jan-20	3 years from the date of grant	30%
27-Jan-21	4 years from the date of grant	30%
	Total	**100%**

3	**Date of Grant**	25-May-17
	Exercise price per Option	Rs.125.80
	Number of Options granted	18,000
	Exercise period	2 years from the date of respective vesting
	Vesting Period	1 to 5 years from the date of grant as stated below
	Vesting Schedule	As mentioned below

Vesting Schedule:		
Date of Vesting	**Vesting period after the date of grant**	**Vesting based on time**
25-May-18	1 year from the date of grant	5%
25-May-19	2 years from the date of grant	15%
25-May-20	3 years from the date of grant	20%
25-May-21	4 years from the date of grant	30%
25-May-22	5 years from the date of grant	30%
	Total	**100%**

Share based payment expenses

Name of Scheme	31st March, 2021	31st March, 2020
ESOS 2016	**10,50,494**	14,79,135
Total Expenses recognised in "Employee benefit"	**10,50,494**	14,79,135

Reconciliation of outstanding share options

Particulars	No.of Options	
	31st March, 2021	31st March, 2020
Outstanding at 1st April	**1,48,308**	1,90,880
Granted during the year	**-**	-
Forfeited during the year	**(3,600)**	(14,400)
Exercised during the year	**(32,815)**	(23,882)
Expired during the year	**(5,477)**	(4,290)
Outstanding at 31st March	**1,06,416**	1,48,308

1. The estimated grant-date fair value of Stock options granted under ESOS 2016(1) plan is Rs. 69.94
2. The estimated grant-date fair value of Stock options granted under ESOS 2016(2) plan is Rs. 147.43
3. The estimated grant-date fair value of Stock options granted under ESOS 2016(3) plan is Rs. 75.48

The fair values are measured based on the Black-Scholes-Merton formula. Expected volatility, an input in this formula, is estimated by considering historical average of share price volatility of peer companies. The Inputs used in the measurement of grant-date fair values are as follows:

Particulars	ESOS 2016 (1)	ESOS 2016 (2)	ESOS 2016 (3)
Fair value as on Grant Date	148	155	155
Compounded Risk-Free Interest Rate	7.70%	7.50%	7.50%
Expected volatility	31.93%	31.93%	31.93%

3.34 Information on related party transactions as required by Indian Accounting Standard 24 (Ind AS 24) on related party disclosures for the year ended 31st March, 2021.

List of related parties and their relationship

A Holding Company

Name of the Companies	Country of Incorporation
Alkem Laboratories Limited	India

B Fellow Subsidiaries:

Name of the Companies	Country of Incorporation
Cachet Pharmaceuticals Pvt. Ltd	India
Indchemie Health Specialities Pvt. Ltd.	India
Alkem Foundation	India
Connect 2 Clinic Private Limited (w.e.f. 12th June 2020)	India
ThePharmaNetwork, LLC (Wholly owned Subsidiary of S&B Holdings B.V)	United States of America
Ascend Laboratories, LLC (Wholly owned by ThePharmanetwork, LLC)	United States of America
S & B Pharma LLC (wholly owned by The PharmaNetwork, LLC) (w.e.f. 8th April, 2020)	United States of America
S & B Pharma Inc.	United States of America
Ascend Laboratories (UK) Ltd.	United Kingdom
S & B Holdings B.V.	Netherlands
Pharmacor Pty Limited	Australia
Ascend Laboratories (PTY) Limited (formely known as Alkem Laboratories (Pty) Ltd	South Africa
Ascend Laboratories Ltd.	Canada
The PharmaNetwork, LLP	Kazakhstan
Ascend Laboratories SpA	Chile
Pharma Network SpA (Wholly owned by Ascend Laboratories SpA)	Chile
Alkem Laboratories Corporation	Philippines
Ascend GmbH (formerly known as Alkem Pharma GmbH)	Germany
Ascend Laboratories SDN BHD.	Malaysia
Alkem Laboratories Korea Inc.	Korea
Pharmacor Ltd.	Kenya
Ascend Laboratories SAS	Colombia

C Key Managerial Personnel ("KMP")

Mr. Basudeo Narain Singh	Director
Mr. Sandeep Singh	Director
Mr. Amit Ghare	Director
Mr. Himanshu Gadgil	Whole time Director
Mr. R.L.Shenoy	Independent Director
Ms. Sudha Ravi	Independent Director
Mr. Viral Shah	Chief Financial Officer
Ms. Renu Sharma	Company Secretary

D Relatives of Key Management Personnel ("KMP") with whom transactions have taken place during the year.

Mrs. Shilpa Gadgil (wife of Mr. Himanshu Gadgil)

ENZENE BIOSCIENCES LIMITED

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

Details of transactions with related parties

(Amount in Rs.)

Sr. No.	Particulars	Year ended 31st March, 2021				
		Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities	Total
		a	b	c	d	
1	Remuneration	-	**2,23,63,850**	**46,09,034**	-	**2,69,72,884**
		-	(2,20,84,777)	(40,13,464)	-	(2,60,98,241)
2	Advances received from	-	-	-	-	-
		(4,95,00,000)	-	-	-	(4,95,00,000)
3	Advances repaid to	-	-	-	-	-
		(4,95,00,000)	-	-	-	(4,95,00,000)
4	Recovery on account of Clinical Trial Batches #	**16,86,69,658**	-	-	-	**16,86,69,658**
		(10,41,95,405)	-	-	-	(10,41,95,405)
5	Reimbursement of expenses to	**40,14,944**	-	-	-	**40,14,944**
		(1,23,61,709)	-	-	-	(1,23,61,709)
6	Sale of R&D Samples #	**16,08,364**	-	-	-	**16,08,364**
		(1,14,02,930)	-	-	-	(1,14,02,930)
7	Purchase of PPE	-	-	-	-	-
		(4,50,53,687)	-	-	-	(4,50,53,687)
8	Raw material purchased#	**6,22,551**	-	-	-	**6,22,551**
		(14,23,796)	-	-	-	(14,23,796)
9	Equity infusion	**79,99,99,864**	**23,95,336**	-	-	**80,23,95,200**
		(1,24,99,99,633)	(17,64,533)	-	-	(1,25,17,64,166)

Inclusive of GST

Key management personnel compensation

Key management personnel compensation comprised the following :

Particulars	Year ended 31st March, 2021	Year ended 31st March,2020
Short term employee benefits	**2,19,63,850**	1,96,12,937
Post-employment benefits	**5,61,715**	4,47,047
Other long-term benefits	**(52,642)**	6,03,763
Share Based payment (ESOS 2016)	**32,40,184**	8,81,030
Sitting fees paid to independent director	**4,00,000**	5,40,000

Balance due from / to the related Parties

(Amount in Rs)

Sr. No.	Particulars	As at 31st March, 2021				
		Holding Company	Key Management Personnel	Relatives of Key Management Personnel	Entities	Total
1	Recovery on account of Clinical Trial Batches receivable from*	**1,01,81,519**	-	-	-	**1,01,81,519**
		(9,54,97,959)	-	-	-	(9,54,97,959)
2	Trade Payable	-	-	-	-	-
		(13,23,240)	-	-	-	(13,23,240)

* Net of tax deducted at source

Note:

Figures in the brackets are the corresponding figures of the previous year.

ENZENE BIOSCIENCES LIMITED

NOTE 3: NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

3.35 Financial instruments – Fair values and risk management

A. Accounting classification and fair values (Amount in Rs.)

	As at 31st March, 2021							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	2,58,19,380	2,58,19,380	-	-	-	-
Other bank balances	-	-	42,41,82,121	42,41,82,121	-	-	-	-
Long-term loans and advances	-	-	1,08,339	1,08,339	-	-	-	-
Trade receivables	-	-	2,89,55,644	2,89,55,644	-	-	-	-
Other Current financial asset	-	-	3,15,60,129	3,15,60,129	-	-	-	-
	-	**-**	**51,06,25,613**	**51,06,25,613**	**-**	**-**	**-**	**-**
Financial liabilities								
Other non-current financial liabilities	-	-	1,35,72,576	1,35,72,576				-
Short term borrowings	-	-	36,57,21,619	36,57,21,619				-
Trade payables	-	-	11,59,56,753	11,59,56,753	-	-	-	-
Other current financial liabilities	-	-	5,49,43,285	5,49,43,285	-	-	-	-
	-	**-**	**55,01,94,233**	**55,01,94,233**	**-**	**-**	**-**	**-**

(Amount in Rs.)

	As at 31st March, 2020							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	4,79,79,094	4,79,79,094	-	-	-	-
Other bank balances	-	-	78,06,32,232	78,06,32,232	-	-	-	-
Short-term loans and advances	-	-	2,25,363	2,25,363	-	-	-	-
Other Current financial asset	-	-	11,16,27,785	11,16,27,785	-	-	-	
	-	**-**	**94,04,64,474**	**94,04,64,474**	**-**	**-**	**-**	**-**
Financial liabilities								
Other non-current financial liabilities	-	-	1,85,71,071	1,85,71,071	-	-	-	-
Short term borrowings	-	-	55,86,19,071	55,86,19,071	-	-	-	-
Trade payables	-	-	12,48,17,431	12,48,17,431	-	-	-	-
Other Current financial liabilities	-	-	5,73,51,826	5,73,51,826	-	-	-	-
	-	**-**	**75,93,59,399**	**75,93,59,399**	**-**	**-**	**-**	**-**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: valuation models for which all inputs which have significant effect on the recorded in the financial statements fair value are observable in the market, either directly or indirectly;

Level 3: valuation models which use inputs that have significant effect on the recorded in the financial statements fair value that are not based on observable market data.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarly trade receivables) and arises principally from the Company's receivables from customers.The Company has no significant concentration of credit risk with any counterparty.

Trade Receivable

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.Management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

At 31st March 2021, the maximum exposure to credit risk for trade receivables by geographic region was as follows:

Particulars	**As at 31st March, 2021**	As at 31st March, 2020
India	1,21,12,716	-
US	1,68,42,927	-
	2,89,55,644	-

Cash and Cash equivalents and Bank Deposits

Credit risk on cash and cash equivalents, deposits with banks is generally low as the said deposits have been made with the banks who have been assigned high credit rating by international and domestic credit rating agencies.

3.35 Financial instruments – Fair values and risk management

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The company is yet to commence its commercial operation, being engaged in research and development of bio-similar. The company being the subsidiary of Alkem Laboratories Limited ("Holding Company"), its entire financial obligation is being funded by its holding company.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

			Contractual cash flows				
31st March, 2021	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Rs.							
Non-derivative financial liabilities							
Other non-current financial liabilities	**1,35,72,576**	**1,53,63,480**	**-**	**-**	**1,47,32,583**	**6,30,897**	**-**
Working capital loans from banks	**36,57,21,619**	**36,57,21,619**	**36,57,21,619**	**-**	**-**	**-**	**-**
Trade and other payables	**11,59,56,753**	**11,59,56,753**	**11,59,56,753**	**-**	**-**	**-**	**-**
Other current financial liabilities	**5,49,43,285**	**5,69,98,130**	**4,32,06,447**	**1,37,91,683**	**-**	**-**	**-**

			Contractual cash flows				
31st March, 2020	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Rs.							
Non-derivative financial liabilities							
Other non-current financial liabilities	1,85,71,071	1,85,71,071	-	-	1,10,39,642	75,31,429	-
Working capital loans from banks	55,86,19,071	55,86,19,071	55,86,19,071	-	-	-	-
Trade and other payables	12,48,17,431	12,48,17,431	12,48,17,431	-	-	-	-
Other current financial liabilities	5,73,51,826	5,73,51,826	5,20,44,819	53,07,007	-	-	-

3.35 Financial instruments – Fair values and risk management

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has exposure to USD, EURO and GBP. The Company has not hedged this foreign currency exposure.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31st March, 2021, 31st March, 2020 are as below:

	31st March, 2021		
	EURO	**GBP**	**USD**
Financial assets			
Trade and other receivables	-	-	2,31,902
	-	**-**	**2,31,902**

Financial liabilities			
Trade and other payables	52,057	-	71,120
	52,057	**-**	**71,120**

	31st March, 2020		
	EURO	**GBP**	**USD**
Financial assets			
Trade and other receivables	-	-	
	-	-	-

Financial liabilities			
Trade and other payables	2,17,856	6,387	62,109
	2,17,856	6,387	62,109

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
Rs.	**31st March, 2021**	31st March, 2020
EURO	**85.95**	83.10
GBP	**100.88**	93.46
USD	**73.25**	75.36

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. 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	
Effect in Rs.	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31st March, 2021				
10% movement				
EURO	**4,47,403**	**(4,47,403)**	**4,47,403**	**(4,47,403)**
GBP	**-**	**-**	**-**	**-**
USD	**(11,77,685)**	**11,77,685**	**(11,77,685)**	**11,77,685**
	(7,30,281)	**7,30,281**	**(7,30,281)**	**7,30,281**

	Profit or loss		Equity, net of tax	
Effect in Rs.	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31st March, 2020				
10% movement				
EURO	18,10,405	(18,10,405)	18,10,405	(18,10,405)
GBP	59,695	(59,695)	59,695	(59,695)
USD	4,68,055	(4,68,055)	4,68,055	(4,68,055)
	23,38,155	(23,38,155)	23,38,155	(23,38,155)

3.35 Financial instruments – Fair values and risk management

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed deposits. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Carrying amount in Rs.	
	31st March, 2021	31st March, 2020
Fixed-rate instruments		
Financial assets	**45,00,01,501**	82,86,11,326
Financial liabilities	**36,57,21,619**	55,86,19,071
Total	**8,42,79,882**	26,99,92,255
Variable-rate instruments	**-**	-
Total	**8,42,79,882**	26,99,92,255

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

3.36 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31st March, 2021 was as follows:

Rs.

Particulars	As at 31st March, 2021	As at 31st March , 2020
Total Borrowings	**36,57,21,619**	55,86,19,071
Less : Cash and cash equivalent	**2,58,19,380**	4,79,79,094
Adjusted net debt	**33,99,02,239**	51,06,39,977
Total equity	**2,52,15,19,723**	2,74,13,25,459
Less : Hedging reserve	**-**	-
Adjusted equity	**2,52,15,19,723**	2,74,13,25,459
Adjusted net debt to adjusted equity ratio	**0.13**	0.19

3.37 Segment Reporting

The Company is in the Research and Development function of pharmaceutical business. As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on Operating Segment is not applicable. In compliance to the said standard, Basis for segmentation disclosures are as under :

(Amount in Rs.)

Sr	Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a)	**Revenues from sale of product from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues**		
	Revenue from sale of product from the Country of Domicile- India	**15,96,89,341**	9,66,20,961
	Revenue from sale of product from foreign countries	**13,77,59,572**	-
		29,74,48,913	9,66,20,961

b)	**Non Current Assets (Refer note below)**		
	Country of Domicile India	**2,05,75,00,174**	2,11,53,56,427

c)	Non Current Assets for this purpose consist of Property, Plant & Equipments & Intangibles.

3.38 Payment to auditors (excluding taxes)

(Amounts in Rs.)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
As Auditor		
Audit fees	**6,00,000**	5,00,000
Tax audit fees	**1,00,000**	1,00,000
In other capacity		
In any other services such as certification, etc.	**1,75,000**	63,000
Total	**8,75,000**	6,63,000

3.39 Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

A. Tax assets and liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non Current tax assets (net)	**5,08,84,842**	3,54,33,962

B. Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Gross Amount	Unrecognised tax effect	Gross Amount	Unrecognised tax effect
Deductible temporary differences	**2,16,69,384**	**56,34,040**	1,83,75,937	47,77,744
Tax Losses	**3,60,44,58,754**	**93,71,59,276**	2,49,61,95,117	64,90,10,730

Tax Losses carried forward

Particulars	Expiry Date	As at 31st March, 2021	Expiry Date	As at 31st March, 2020
Brought forward losses (allowed to carry forward for specified period)	**2023-30**	**76,46,54,358**	2022-29	53,94,24,298
Brought forward losses (allowed to carry forward for infinite period)		**17,25,04,918**		10,95,86,433

3.40 Grant from Biotechnology Industry Research Assistance Council

The company is eligible for government grant from Biotechnology Industry Research Assistance Council (BIRAC) under National Biopharma Mission. The grant received/receivable includes grant in relation to the assets and grant which are revenue in nature.

The grant received/receivable is for specific project for which the company is incurring the expenditure. Accordingly the eligible amount of revenue grant is deducted from the respective head of expenditure. The company has recognised **Rs. 32,33,614** Government Grant (Revenue in nature) during the year.

The Company is also eligible for government grants which are against Capital expenditure incurred by the company on the specific purchase of assets.These grants, recognized as deferred income, is being amortized over the useful life of the assets in proportion in which the related depreciation expense is recognised.The unamortised grant as on 31st March 2021 amount to **Rs 48,10,825**, the break-up of which is as below:

Particulars	**As at 31st March 2021**	As at 31st March 2020
Current	3,43,630	-
Non Current	44,67,195	-
Total	**48,10,825**	-

During the year there is another grant received/receivable from a specific project for which the company is incurring the expenditure. Accordingly the eligible amount of revenue grant is deducted from the respective head of expenditure. The company has recognised **Rs. 90,00,000** Government Grant (Revenue in nature) during the year.

As per our Report of even date
For R.S.Sanghai & Associates
Chartered Accountants
Firm's Registration No. 109094W

Ramashankar Sanghai Digitally signed by Ramashankar Sanghai Date: 2021.05.21 20:53:13 +05'30'

R.S.SANGHAI
Partner
Membership No. 036931
Place: Pune
Date: 21st May, 2021

For & on behalf of the Board,
For Enzene Biosciences Limited
CIN No: U24232PN2006PLC165610

GADGIL HIMANSHU SHASHIKANT Digitally signed by GADGIL HIMANSHU SHASHIKANT Date: 2021.05.21 19:51:30 +05'30'

Himanshu Gadgil
Director
DIN No.: 07548149

Basudeo Narayan Singh Digitally signed by Basudeo Narayan Singh Date: 2021.05.21 20:24:56 +05'30'

B. N. Singh
Director
DIN No.: 00760310

VIRAL PANKAJKUMAR SHAH Digitally signed by VIRAL PANKAJKUMAR SHAH Date: 2021.05.21 19:51:57 +05'30'

Viral Shah
Chief Financial Officer

SHARMA RENU JAGDISH Digitally signed by SHARMA RENU JAGDISH Date: 2021.05.21 19:55:54 +05'30'

Renu Sharma
Company Secretary