



**December 01, 2023**

**The General Manager  
Department of Corporate Services - CRD  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001**

**BSE Company Code: 526139**

Dear Sir / Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report for the year ended 31<sup>st</sup> March, 2023 containing Notice of the 33<sup>rd</sup> Annual General Meeting scheduled to be held on **Saturday, 30<sup>th</sup> December, 2023 at 10.00 a.m.** through Video Conference / Other Audio Visual Means (OAVM), in accordance, with various circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The remote e-voting period begins **Wednesday, December 27<sup>th</sup> 2023 at 9.00 a.m.** IST and ends on **Friday, December 29<sup>th</sup>, 2023 at 5.00 p.m.**

The Register of Members and the Share transfer books of the Company will remain closed from 26<sup>th</sup> December 2023 to 29<sup>th</sup> September 2023 (both days inclusive)

Further, 23<sup>rd</sup> December, 2023 is fixed as cut-off date for e-voting in connection with the 33<sup>rd</sup> Annual General Meeting of the Company.

Kindly note that the soft copies of Annual Report containing Notice of 33<sup>rd</sup> Annual General Meeting is being uploaded on the website of the Company at [www.transgenebiotek.com](http://www.transgenebiotek.com) or link <https://www.transgenebiotek.com/images/pdf/Annual-Report-2022-23.pdf>

This is for your information and records.

Thanking you

Yours Sincerely  
For TRANSGENE BIOTEK LIMITED

**DR K KOTESWARA RAO  
CHAIRMAN & MANAGING DIRECTOR**

Encls : as above

*Breaking technology barriers  
Bringing smiles on millions of faces*



## **BOARD OF DIRECTORS**

Dr. K. Koteswara Rao  
Mrs. Sujana Kadium  
Ms. Swetha Marri  
Mr. Santosh Kumar

- Chairman & Managing Director
- Director
- Director
- Director

Mrs. Ankita Jain  
Mr. Chowdari Prasad

- Company Secretary
- Chief Financial Officer

## **REGISTERED OFFICE**

Plot Nos. 69 & 70, IDA Bollaram,  
Sangareddy District. T.S. - 502 325.

## **AUDITORS**

M/s. Manisha Dubey & Associates  
Chartered Accountants  
Firm Registration No. 010114S  
Hyderabad

## **BANKERS**

IndusInd Bank,  
Madhapur Branch  
Hyderabad.

## **SHARE TRANSFER AGENTS**

M/s. Bigshare Services Pvt. Ltd.  
306, 3rd Floor, Right Wing, Amrutha Vide,  
Bhavan Road, Somajiguda, Hyderabad - 500 082.

## **Reporting Principles**

*The Report is prepared in line with the Companies Act, 2013 (and the Rules made thereunder), Indian Accounting Standards, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards.*

## **Forward-looking Statements**

*Certain statements in this Report relating to our business operations and prospects may be forward-looking statements. These statements can be identified by usage of words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.*

*In particular, our expectations could be affected by, among other things:*

- *Uncertainties regarding the success of key products and commercial priorities;*
- *Uncertainties in the research and development of new healthcare products, including clinical trial results and additional analysis of existing clinical data;*
- *The potential that the strategic benefits, operational efficiencies or opportunities expected from the business transformation of our subsidiary or associated companies, including any proposed actions that may not be realized or may take longer to realize than expected;*
- *Our ability to obtain or maintain proprietary intellectual property protection, including the ultimate extent of the impact on Transgene's loss of patent protection and exclusivity on key products that commenced in prior years and is expected to continue this year;*
- *Our performance on environmental, social and regulatory governance issues;*
- *Our reliance on outsourcing key business functions to third parties;*
- *Our ability to attract, integrate and retain key personnel and qualified individuals;*
- *Uncertainties regarding actual or potential legal proceedings,*
- *Regulatory actions or delays or government regulation generally, including potential regulatory actions or delays with respect to the development of the products described in this Annual Report;*
- *The impact of pandemic diseases such as COVID-19 on enrollment in, initiation and completion of our pre-clinical and clinical trials in the future, and research and development timelines.*

*Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this Annual Report as anticipated, believed, estimated or expected. We provide the information in this Annual Report as of the date of its filing. We do not intend, and do not assume any obligation, to update any information or forward-looking statements set out in this Annual Report as a result of new information, future events or otherwise.*

## Chairman's speech at the 33<sup>rd</sup> Annual Meeting of the shareholders – 30<sup>th</sup> December 2023

Dear Shareholders and esteemed colleagues on the Board.

Good morning and I welcome each one of you to the current 33<sup>rd</sup> AGM of this company.

As we virtually gather today, we deeply appreciate your generous support and on behalf of the Board of Directors, I thank you for your valuable me and participation amidst your demanding schedules. The Annual Report for the year ended on March 31, 2023, along with notice of the meeting, the Board's Report, and the audited financial statements of the company have been duly circulated to you.

Ladies and gentlemen, shareholders, allow me in the context of our AGM today to look back at 2022-23.

As reported at the last AGM, we at Transgene through transformational approach with NidFree are creating a new path towards global health that possesses an impactful change on the way the medicines are to be administered in future. For Transgene, 2022-23 was a year characterized by a paradigm shift that was stalled for several years and ably supported by our associated partner NidFree Technologies. The Board has worked closely with the executive management of that company with unerring focus to serve the most pressing and complex needs of shareholders and customers of Transgene, creating a sustainable growth trajectory.

**Our Mission:** With the successful demonstration of oral Insulin with resounding clarity on various parameters of the study, we are informed by the management of NidFree that the technology platform is to be extended to several other molecules too. It is also reported that NidFree has been making efforts to source the required funds to meet the short- and long-term objectives thereby creating an exciting path never travelled before, one that covers several areas within the medical arena.

Coming to the issue about SEBI's orders, we have appealed at the Securities Appellate Tribunal against those orders and we are waiting for the outcome of that hearing.

Looking ahead into 2023-24, the transformation for realizing the long-awaited aspirations appear to have started already and the management is reasonably assured about the continued ascendancy of the company on to the global arena in the coming year.

As I close, I would like to extend my pranams and my deep appreciation to each and every one of you for backing me and the management solidly throughout the period of struggles and challenges, all such now appear to be vanishing slowly.

## NOTICE

Notice is hereby given that the Thirty Three (33<sup>rd</sup>) Annual General Meeting of the Members of M/s. TRANSGENE BIOTEK LIMITED will be held on Saturday, 30<sup>th</sup> December, 2023 at 10.00 Hours through Video Conferencing / Other Audio - Visual Means (OAVM) to transact the following business.

### **ORDINARY BUSINESS:**

#### **1. ADOPTION OF AUDITED ACCOUNTS AND REPORTS**

To receive, consider and adopt the Standalone and Consolidated Audited Balance Sheet as at 31st March 2023, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.

#### **2. RE-APPOINTMENT OF DIRECTOR**

To appoint a Director in place of Mrs. Sujana Kadium, who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

#### **3. APPOINTMENT OF STATUTORY AUDITORS FOR THE FIRST TERM OF 5 YEARS.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Audit Committee and the Board of Directors, M/s. Vasavi & Co., Chartered Accountants (Firm Registration No.020965S) be and is hereby appointed as the Statutory Auditors of the Company, for a first term of 5 years i.e. from the conclusion of this 33<sup>rd</sup> Annual General Meeting until the conclusion of 38<sup>th</sup> Annual General Meeting to be held in the year 2028 at such remuneration and other terms as may be decided by the Board of Directors of the Company in consultation with the Auditors”.

### **SPECIAL BUSINESS**

#### **4. RE-APPOINTMENT OF DR. K. KOTESWARA RAO AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY.**

In this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to such permissions, consents and approvals from various authorities as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals, the approval of shareholders of the Company be and is hereby accorded for re-appointment of Dr. K. Koteswara Rao (DIN: 02287235) as Chairman & Managing Director of

the Company for a period of 1 (one) year on the terms and conditions set out below in the explanatory statement annexed hereto which shall be deemed to form part hereof.

RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things they may consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.”

**5. TO DISCUSS AND APPROVE THE STRATEGIC ALLIANCE WITH NIEDLFREE TECHNOLOGIES PVT LTD.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special resolution**.

“RESOLVED THAT the Consent of the Board be and is hereby accorded for the execution of the strategic alliance between the Company and M/s NiedlFree Technologies Private Pvt Ltd in the form of technology transfer.

“RESOLVED FURTHER THAT Dr. K. Koteswara Rao, Managing Director of the Company be and is hereby severally/jointly authorized to negotiate, finalize and execute the agreement and documents on behalf of the Company and do all such acts, matters, deeds and things and to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Term Sheet prior to finalizing the Licensing Agreement and Power of Attorney”.

“RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed and stamped on the Term Sheet and such other documents as may be required to be executed under the Common Seal of the Company in the presence of any one of the authorized signatories.”

“RESOLVED FURTHER THAT the aforesaid power entrusted to the said official shall be valid and effective unless revoked earlier by the Board or shall be exercisable by him so long as he is concerned to the Company.”

By the Order of the Board  
For TRANSGENE BIOTEK LIMITED

Sd/-  
Dr. K. KOTESWARA RAO  
CHAIRMAN & MANAGING DIRECTOR

PLACE: HYDERABAD  
DATE: 14.11.2023

## NOTES:

1. Subsequent to the massive outbreak of the COVID-19 pandemic resulting in social distancing to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2022 dated May 05, 2022, and Circular No. 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.transgenbiotek.com](http://www.transgenbiotek.com) The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.e.voting.nsdl.com](http://www.e.voting.nsdl.com).

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022, and Circular No. 10/2022 dated December 28, 2022.

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -**

The remote e-voting period begins **Wednesday, December 27<sup>th</sup> 2023 at 9.00 a.m.** IST and ends on **Friday, December 29<sup>th</sup>, 2023 at 5.00 p.m.** The remote e-voting module shall be disabled by NSDL for voting thereafter.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Saturday December 23, 2023**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **Saturday December 23, 2023**.

**How do I vote electronically using the NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> users can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, the option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="719 712 1222 1014" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to</li> </ol>

	directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “**EVEN 127190**” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [gserwani2@gmail.com](mailto:gserwani2@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@transgenebiotek.com](mailto:cs@transgenebiotek.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@transgenebiotek.com](mailto:cs@transgenebiotek.com). If you are Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members / shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@transgenebiotek.com](mailto:cs@transgenebiotek.com). The same will be replied by the company suitably.
6. Shareholders who would like to express their views / have questions may send their questions in advance by **December 23, 2023** mentioning their name demat account number/folio number, email id, mobile number at [cs@transgenebiotek.com](mailto:cs@transgenebiotek.com)/ [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com). The same will be replied by the company suitably. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

7. Mrs. Geeta Serwani, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

**Information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for directors seeking appointment/reappointment in forthcoming annual general meeting:**

(i)

Name of Director	<b>Dr. K. Koteswara Rao (DIN : 02287235)</b>
Date of Birth	11-10-1942
Date of Appointment	01-03-1990
Qualification	M.B.B.S., MBIM
Expertise	Medical Practice and Clinical Studies
Other directorships	NeoDel Pharma Pvt Ltd and NiedlFree Technologies Pvt Ltd
Chairman/Members of the Committee in other Companies	None
No of shares held in the Company	15,211,902

Date: 14-11-2023  
Place: Hyderabad

BY ORDER OF THE BOARD  
Sd/-  
DR K KOTESWARA RAO  
CHAIRMAN & MANAGING DIRECTOR

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

**ITEM NO.3**

M/s. Vasavi & Co, Chartered Accountants, have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act 2013 and other applicable rules and regulations. M/s. Vasavi & Co have confirmed that they are eligible for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. The Audit Committee considered various parameters like capability of firm to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc. Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint M/s. Vasavi & Co, Chartered Accountants, having registration No. 020965S, as the Statutory Auditors of the Company for the first term of five consecutive years, who shall hold office from the conclusion of this 33<sup>rd</sup> AGM till the conclusion of the 38<sup>th</sup> AGM of the Company.

The Board of Directors has approved a remuneration of Rs: **1,50,000/-** plus reimbursement of out-of-pocket expenses and applicable taxes for the financial year 2023-24. The remuneration proposed to be paid to the Statutory Auditors would be in line with the existing remuneration and shall be commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors. The firm holds the 'Peer Review' certificate as issued by 'ICAI'. The Board recommends the resolution set out at Item No. 3 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the said resolution.

**ITEM NO. 4**

Re-appointment of Dr K. Koteswara Rao (DIN No: 02287235) as Chairman and Managing Director of the Company.

Dr K. Koteswara Rao (DIN No: 02287235) re-appointed as Chairman and Managing Director by the members at the last AGM, having now attained the age of 81 years has expressed his concerns and reservations in continuing as Managing Director of the company due to persistent and recurring major health problems. However, with changing dynamics of the company moving towards a positive note, this reappointment, if approved, may not have to be repeated next time and finding a suitable replacement to take over the reins of the company from Dr Koteswara Rao may not pose any problems.

Therefore, continuation of employment of Dr. K. Koteswara Rao as Managing Director of the company requires approval of the members by way of a special resolution under Section 196(3) of the Companies Act, 2013, inter alia, which provides that no company shall continue the employment of a person who has attained the age of 72 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

### **ITEM NO.5**

As a business, realising the considerable delays in monetizing the drug delivery technology with consequent loss of its value, we are compelled to devise a scheme to overcome the existing barriers and arrive at a strategic alliance as informed at the last AGM. This alliance is in the form of technology transfer to a company by name M/s. NidlFree Technologies Pvt Ltd. The board of Directors in its meeting held on 14<sup>th</sup> February 2022 had already approved such an alliance and passed an appropriate resolution in support of that.

NidlFree with the presence of very experienced post-doctoral scientists as its promoters and team members with diverse knowledge and expertise in the development and commercial production of different Biologics, is a completely independent company that is to advance the technology further towards monetization at rapid pace. NidlFree has already made rapid strides in setting up required infrastructure and initiated various programs in getting requisite approvals from Regulatory Authorities for undertaking studies on nasal Insulin in India to start with."

Date: 14-11-2023  
Place: Hyderabad

BY ORDER OF THE BOARD  
Sd/-  
DR K KOTESWARA RAO  
CHAIRMAN & MANAGING DIRECTOR

*Breaking technology barriers  
Bringing smiles on millions of faces*



## **DIRECTORS REPORT**

**2022-23**

## DIRECTORS REPORT

Dear Shareholders

Your Directors submit to you the 33<sup>rd</sup> Annual Report on the business & operations of the Company and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2023 along with the Auditor's Report thereon.

### Financial Results

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Total Income	23.05	29.92	23.05	29.92
Operational, Administration and other expenses	110.74	55.01	110.76	55.01
Gross Operating Profit	-	-	-	-
Interest and Financial Charges	18.14	23	18.14	23
Forex Gain/Loss	-	-	-	-
Depreciation	495.01	992	495.01	992
Profit before Tax/Loss	-600.84	-1040.20	-600.86	-1040.20
Provision for Tax	0.00	0.00	0.00	0.00
Net Profit/Loss	-600.84	-1040.20	-600.86	-1040.20

### OPERATIONS

Revenues – Standalone

During the year under review, the Company on a standalone basis has recorded an income of Rs.23.05 Lakhs and incurred a loss of Rs. 600.84 Lakhs as against the income of Rs. 29.92 Lakhs and Loss of Rs. 1040.20 respectively in the previous financial year ending 31.03.2022.

Revenues – Consolidated

During the year under review, the Company on a consolidated basis has recorded an income of Rs. 23.05 and incurred a loss of Rs. 600.86 as against the income of Rs. 29.92 Lakhs and Loss of Rs. 1040.20 Lakhs respectively in the previous financial year ending 31.03.2022.

### AUDITORS' COMMENTS

As reported last year too, there were no activities at the subsidiary company, Transgene Biotek HK Ltd, since financial year 2015-16.

The consolidated financial statements were authorized for issue by the Company's Board of Directors at the board meeting held on 14<sup>th</sup> November, 2023.

### Review and results of operations

Although there are no further restrictions imposed by SEBI, there is an adverse impact in raising required funds in view of penalties imposed by SEBI which has been challenged at the Appellate Securities Tribunal. However, it has been difficult to continue with the operations at the company in the absence of required funds to advance the product and technology development programs with a potential to lose their value on further delays.

## Transgene's exploration for an alternative

The management and board of Directors believe that the basic foundation for all IPRs has been laid at Transgene by Dr Rao and the scientific team so far. Transgene has been funded, mostly through unsecured loans from Dr Rao, with that objective over the past two decades and its present architecture of IPRs are a testament to the resolute will of the promoter backed by the shareholders. However, end results in bringing those technologies and inherent IPRs towards successful monetization have been illuding. Therefore, Dr Rao and rest of the management sought to unlock the potential through strategic associations and verticals all with a specific purpose to benefit the TBL shareholders and restore the pristine glory of TBL as a cutting-edge Biotech company.

It was with the above background necessitated by the zeal to sail through adverse circumstances, a strategic alliance with a company by name NiedlFree Technologies Pvt Ltd has been decided as a viable move forward. It is understood that NiedlFree is composed of members with vast experience, possessing deep knowledge and expertise not only in developing different biologics and bio-similars but also in the commercial production of those. NiedlFree assured to set-up relevant infrastructure for the development of biologics and formulations through its own sources of funding.

The said alliance between NiedlFree and Transgene would compose of key accruals from NiedlFree to Transgene as listed below:

- Rs.5 Crores payable as milestones
- 28% of the equity in NiedlFree
- 25% of any lumpsum payments received by NiedlFree
- 6% of the net sales carried out by NiedlFree
- 15% received as non-royalty payments through sub-licensees.

However, what has not been transferred and remained with Transgene are several other technologies and intellectual assets such as such as the patented AAV vectored gene therapy technologies targeted against Liver and Breast cancers, technology for the treatment of Multiple Sclerosis etc. The sum of all parts with plans to align different forces together will help to serve larger than the whole culminating eventually into a better and bigger entity, straddling the entire value chain.

With an assured infrastructure to be created by NiedlFree for biologicals and their formulations resulting in monetization of those rapidly, the board has approved the licensing agreement between Transgene and NiedlFree while taking note of Dr. K. Koteswara Rao, Managing Director of Transgene Biotek Ltd holding an interest in NiedlFree Technologies Pvt Ltd also.

As assured, NiedlFree made substantial investments and established a new infrastructure that included a lot of new equipment.

Further, to move forward with the technology transferred from Transgene, NiedlFree made several changes to the transferred technology resulting in a very efficient and effective oral and nasal delivery technology platform with demonstrable results starting with oral and nasal Insulin, first among others.

After the successful demonstration with changes made to the technology displaying remarkable bio-availability, the management of NiedlFree is reported to be in active discussions with few companies with an aim for monetization through different strategic routes.

### **PerORAL Bio Pvt Ltd**

With no useful purpose served by the presence of PerORAL Bio Pvt Ltd, it was felt by the management that it would be better to close the company. Accordingly, an appropriate resolution was passed by the board for its closure and steps have been taken on that.

### **SEBI Order and recovery of lost GDR funds**

During the course of period since the last AGM, efforts have been intensified with the help from London and Swiss Lawyers for the recovery of lost GDR funds from the entities involved in the GDR fraud.

### **SEBI Adjudication hearing**

SEBI in its Adjudication order dated 27<sup>th</sup> June 2022, delivered at our offices on 10<sup>th</sup> October 2022, has imposed penalties of Rs.38 lacs on the company apart from imposing penalties of different amounts on others named in the adjudication order. Aggrieved by the unjust order, Transgene has filed an appeal at the Securities Appellate Tribunal.

### **SBIRI / BIRAC**

There has been no resolution yet to the aspect of outstanding amount of Rs. 5,00,73,313.42/- with BIRAC and the management is taking steps to close this matter at the earliest during the ensuing year.

### **DIVIDEND**

Your Directors are unable to recommend any dividend since the company has not made any profits.

### **SUCCESSION, STRATEGIC FOCUS AND FUTURE ORIENTATION:**

Drawing strength from its strategic alliance with NiedlFree gaining significant results from the delivery technology platform, the management of Transgene expects rapid progress in commercialization of some technologies with resultant benefits accruing to it.

### **SUCCESSION PLANNING**

With Dr. Koteswara Rao having past the age of 80 years, the management is looking forward to handing over the baton to another person with an ability to infuse vigor and vitality in managing the company and taking forward in realizing the goals and aspirations. The search is continuing but one that may conclude only after the clearance of SEBI issues. Therefore, the Board believing it to be in the best interests of shareholders requested Dr. Koteswara Rao to

continue serving in the same earlier capacity at least till such time the company tides over the challenges and to facilitate a smooth succession planning and for the transition to a new Chair, likewise for the position of Managing Director too.

### **Subsidiary Company - Transgene Biotek HK Limited**

Till the completion of investigation pertaining to the role played by the operators of TBL HK account on the matter of unauthorized and illegal transfer of funds, no decision is to be taken on its continued presence or its closure otherwise.

However, the focus has not been lost regarding the irregularities committed through the account at Standard Chartered Bank, Singapore, and Hong Kong and through other banks too. Likewise, the efforts are continuing for the recovery of lost GDR funds transferred illegally from its account at Investec Bank. A Statement pursuant to Section 129, read with Rule 5 of the Companies (Accounts) Rules, 2014 in Form AOC - 1 is attached as “**Annexure -A**”

### **RELATED PARTY TRANSACTIONS**

There were no transactions which have been entered into with related parties of the Directors or the Key Managerial Personnel of the company.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

We are basically a bio-pharmaceutical company with a focus on three components - Research & Development of innovative biologic molecules, process to stabilize and develop innovative formulations for delivery through either oral or nasal route thus avoiding the injectable route of administration and finally initiate relevant studies for regulatory approvals for the purposes of strategic monetization of the chosen molecule.

However, in order to overcome various challenges, temporary or otherwise, prevailing in the path of progress on the above three components, well informed strategies need to be put in place to realize the ultimate goal of accruing the benefits from the chosen path, one of those is the transfer of oral delivery technology to NiedlFree Technologies. **Annexure-B**

### **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

The Directors are collectively responsible for the success of the company. The Board maintains and periodically reviews a list of matters that can only be approved by the Board. Matters that have not been expressly reserved to the Board in this way are delegated to the Managing Director or one of the Board’s Committees. The Board’s responsibilities include setting our strategy and policies, overseeing risk and corporate governance, and monitoring progress towards meeting our objectives and annual plans. It is accountable to our shareholders for the proper conduct of the business and our long-term success and seeks to represent the interests of all stakeholders.

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders’ value. **Annexure-C**

## **DEMATERIALISATION OF SHARES**

86.35% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2023 and balance 13.65% is in physical form. The Company's Registrars are M/s. Big Share Services Pvt Ltd, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana-500 082.

## **NUMBER OF BOARD MEETINGS HELD**

The Board of Directors duly met 4(Four) times during the financial year from 1<sup>st</sup>April, 2022 to 31<sup>st</sup>March 2023 the details of which are furnished in the report on Corporate Governance.

## **BOARD EVALUATION**

The evaluation of all the Directors including the Chairman, the Independent Directors and the Managing Director, Board committees and the Board as a whole was carried out based on the criteria and framework approved by the Nomination and Remuneration Committee pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members based on the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors based on the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of the board as a whole and performance of the Chairman was evaluated. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

## **INDEPENDENT DIRECTORS AND DECLARATION**

Our Independent Directors meet the baseline definition of Independent Directors under the Act and the Listing Regulations. At the beginning of each financial year, the Independent Directors

submit a self-declaration confirming their independence and compliance under section 149(6), Schedule IV of the Act and Regulation 16(1)(b) of the Listing Regulations, 2015 [Listing regulations]. All such declarations are placed before the Board for information and noting. Based on the declarations received, the Board also confirms that the Independent Directors fulfil the independence criteria under the Listing Regulations and are independent of the management.

Generally, the Independent Directors meet before each board meeting. During FY 2022-23 the independent Directors met Four (4) times i.e. on 30<sup>th</sup> May 2022, 13<sup>th</sup> August 2022, 12<sup>th</sup> November 2022 and 14<sup>th</sup> February 2023. The Independent Directors inter alia discuss matters arising out of Board and Board Committee agendas, company performance and various other board-related matters, identify areas where they need clarity or information from management and to review the performance of Independent Directors, the Chairman and the Board as a whole and assess the effectiveness and promptness of the information flow.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mrs. Sujana Kadium, Independent Director, of the Company retires at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

## **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the same period;
- The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- They have laid down internal financial controls in the company that are adequate and were operating effectively.
- They have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

## **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account principal or interest on deposit from public was outstanding as on the date of the balance sheet.

## **RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has formulated and adopted a risk management policy at its Board Meeting. As per the policy, the management continues to review and assess the risk and also the steps for mitigating the same.

## **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility do not apply to the company.

## **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of the directors' report.

## **PARTICULARS OF EMPLOYEES**

The statement showing particulars of employees pursuant to Section 197 of the Companies Act, 2013 (the 'Act') read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable on company.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The internal control systems of the Company are adequate and commensurate with the size of operations. These controls ensure that transactions are authorized, recorded and reported on time. They ensure that assets are safe guarded and protected against loss or unauthorized disposal.

The Internal Audit department carried out audits in different areas of the Company's operations. Post-audit reviews were carried out to ensure that audit recommendations were implemented. The Audit Committee of the Board of Directors reviewed the audit program and findings of the Internal Audit department.

### **Statutory Auditors**

The Statutory Auditors, M/s. Vasavi & Co., Chartered Accountants, Hyderabad (Firm Registration No. 020965S), Your directors recommend their appointment as Statutory Auditors of the Company for a period of 5 years, i.e. from Financial year commencing from 2023-24 to 2027-28) to hold office till the conclusion of the Annual General Meeting to be held in the year 2028.

Your Directors propose to appoint the firm M/s Vasavi & Co., chartered Accountants, FRN - 006005S as Statutory Auditors for a period of five years from the ensuing Annual General Meeting.

### **Internal Auditors**

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditor of the Company on quarterly basis. Deviations are reviewed periodically, and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

### **Change In the Nature of Business, if Any**

During the period under review and the date of Board's Report there was no change in Business.

### **Material Changes & Commitment Affecting the Financial Position of the Company**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of the report.

### **Revision of Financial Statements**

There was no revision of the financial statements for the year under review.

### **Further Issue of Share Capital**

During the year under review, your Company has not made any allotments.

### **Transfer Of Shares and Unpaid or Unclaimed Amounts To Investor Education And Protection Fund (IEPF)**

Pursuant to the provisions of Section 124 of the Companies Act 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

During the Year, no amount of dividend was unpaid or unclaimed for a period of seven years and therefore no amount is required to be transferred to Investor Education and Provident Fund under the Section 125(1) and Section 125(2) of the Act.

#### **AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT:**

The auditors' report and Secretarial auditors' report contain certain qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report - "**Annexure - D**"

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (A) The operations of the company are not power intensive nevertheless the company continues its efforts to minimize energy wherever practicable by economizing on the use of power at the offices.
- (B) Technology absorption                      NIL
- (C) Foreign exchange earning                      NIL
- (D) Foreign exchange outflow                      NIL

#### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "**Annexure - E**"

A copy of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 (the 'Act'), in the prescribed form, is hosted on the Company's website and can be accessed at [www.transgenebiotek.com](http://www.transgenebiotek.com).

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The company has not given loans, Guarantees, or made any investments attracting the provisions of Section 186 of the Companies Act, 2013 during the year under review.

#### **FIXED DEPOSITS**

The Company has not accepted any fixed deposits during the year and there are no fixed deposits outstanding as on 31.03.2023.

#### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to express their sincere thanks and place on record their appreciation of the continued assistance and co-operation extended to the company by its

bankers, government and semi government departments, customers, marketing agents and suppliers and in particular Shareholders for the confidence reposed in the company.

Your directors also thank all the employees of the company for their dedicated service without which your company would not have achieved those results.

By the Order of the Board  
For TRANSGENE BIOTEK LIMITED

Sd/-

Dr. K. KOTESWARA RAO  
CHAIRMAN & MANAGING DIRECTOR

PLACE: HYDERABAD

DATE: 14.11.2023

## “Annexure – A”

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries

#### Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

The subsidiary Transgene Biotek HK Ltd has stopped all activities and its accounts have not been audited since 2014-15. As a result, the following information is a follow-up of its activities as those of the year 2014-15 only without any modifications. Since the earlier Directors and management of Transgene Biotek HK Ltd are under the investigation by the Hong Kong and Singapore police and also, from the Monetary Authority of Singapore on receipt of complaint from the management of the parent company, no further information is provided for the current year 2022-23.

S.No	Particulars	Details
1	Name of the subsidiary	Transgene Biotek HK Ltd
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	USD 1 USD = Rs. 82.86
4	Share capital	US\$16,952,001
5	Reserves & surplus	(US\$21069)
6	Total assets	US\$16,948,303
7	Total Liabilities	US\$17371
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	0
11	Provision for taxation	0
12	Profit after taxation	0
13	Proposed Dividend	0
14	% of shareholding	100

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations– None
- Names of subsidiaries which have been liquidated or sold during the year.– None

The Company M/s Peroral Bio Private Limited has become the subsidiary of Transgene Biotek Ltd from 23-12-2020 (Date of Incorporation). As a result, the following information is relating to FY 2022-23.

S.No	Particulars	Details
1	Name of the subsidiary	Peroral Bio Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR (No Exchange Rate will be applicable)
4	Share capital	1,00,000
5	Reserves & surplus	-26,282.00
6	Total assets	73,718.00
7	Total Liabilities	1,00,000
8	Investments	Nil
9	Turnover	Nil
10	Profit before taxation	0
11	Provision for taxation	0
12	Profit after taxation	0
13	Proposed Dividend	0
14	% of shareholding	100%

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- Peroral Bio Private Limited
- Names of subsidiaries which have been liquidated or sold during the year- None

**MANAGEMENT DISCUSSION AND ANALYSIS**

**CAUTION**

*Statements in the Management Discussion and Analysis describing the Company's and its subsidiaries' objectives, projections, estimates and expectations may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include among others, climatic conditions, economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.*

**(a) Oral and Nasal drug delivery technologies and opportunities**

Oral drug delivery is the most preferred administration route due to noninvasive, high patient compliance, convenient to handle, and does not require any specific sterile conditions. However, some of the drugs administered orally face several physical, biological, and biochemical barriers which lower the therapeutic efficacy of the drugs before getting absorbed into the systemic circulation. The utilization of nanocarriers for oral drug delivery overcome abovementioned barriers and considered as an alternative strategy to address the drawbacks of oral drug delivery. However, the challenges faced in oral drug delivery include poor bioavailability of drug, which is determined by three vital factors, namely, dissolution, permeability, and solubility. In addition, behavior of the drug in gastrointestinal tract (GIT) is dependent on intrinsic factors of drug and physiological aspects, namely, pH, microbial colonization, and enzymes.

Relating to Nasal drug delivery system, it is also considered to be advantageous when compared with other routes of drug delivery as it avoids the hepatic first-pass effect, blood-brain barrier penetration, and compliance issues with parenteral administration. Nasal administration, with its many advantages, naturally has made researchers interested in the nasal route of drug delivery. However, mucociliary clearance poses significant obstacles to the systemic delivery of drugs via the nasal cavity. The entire surface of the nasal cavity is covered by a mucus layer. Mucociliary clearance rapidly removes drugs from the absorption site. In addition to mucociliary clearance, hair in the nostrils, sneezing, and coughing also greatly reduce the number of particles available to enter the human body through the mucosal surface.

However, nasal administration also has some limitations, such as its low bioavailability due to metabolism on the mucosal surface, and irreversible damage to the nasal mucosa due to the ingredients added into the formula. Moreover, the method of nasal administration is not applicable to all drugs.

In both oral and nasal drug delivery systems of drug delivery, bioavailability issues are one of the major challenges for formulation research and development. There are many formulation strategies adopted to improve the bioavailability of many poorly water-soluble and low-permeable drugs.

All the afore mentioned challenges are reported to have been adequately addressed by NidlFree resulting in the demonstration of exceptional bio-availability, a key indicator of the success of technology.

In view of the large and potential opportunities for these technologies, the management has evolved a strategy to advance the oral delivery technology for its monetization overcoming several internal and external challenges.

### **Internal Auditing and Controls**

The internal control systems of the Company are adequate and commensurate with the size of operations. These controls ensure that transactions are authorized, recorded and reported on time. They ensure that assets are safe guarded and protected against loss or unauthorized disposal.

The Internal Audit department carried out audits in different areas of the Company's operations. Post-audit reviews were carried out to ensure that audit recommendations were implemented.

The Audit Committee of the Board of Directors reviewed the audit program and findings of the Internal Audit department.

### **Outlook**

The outlook for Transgene is on the path of sustainable growth that has been eluding for several years with a successful alliance with NidFree that lit up the bright light for Transgene too diversifying its focus on several medical conditions in addition to Diabetes.

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transgene's governance framework is driven by the objective of enhancing long term stakeholder value without compromising on ethical standards and corporate social responsibilities. Efficient corporate governance requires a clear understanding of the respective roles of the Board of Directors (“Board”) and of senior management and their relationships with others in the Corporate Governance Report.

Corporate governance philosophy of Transgene represents core values by which policies and practices of the organization are guided.

Corporate governance at Transgene is implemented through robust governance processes, internal control systems and processes, and strong audit mechanisms.

In this report, we have provided details on how the corporate governance principles are put in to practice at Transgene.

The corporate governance philosophy at Transgene stems from the set of principles and framework embedded in its values since the year 1992 adhering to the best practices possible.

Our ethical framework focuses on long-term shareholder value creation through responsible decision making. Transgene's corporate governance framework is founded on the following pillars:

#### **Accountability**

For us, accountability is about holding ourselves firmly responsible for what we believe in and for delivering what we have promised. We ensure this by promoting a mind-set of ownership throughout the organization. By means of openness and transparency, we consider ourselves accountable to our stakeholders, our employees, shareholders, vendors and, government agencies.

#### **Competent leadership and management**

We believe that a dynamic and diverse board and we endeavor to maintain a board composition that brings healthy balance of skills, knowledge and, independence.

#### **Sustainability**

At Transgene, sustainability is about effectively managing the day to day and long term challenges covering the financial, social and technical aspects, whilst focusing on business continuity. We are committed to pursuing our vision and reaching the set goals.

## Compliance and risk management

We firmly believe in full adherence to all regulatory and statutory requirements in letter and spirit. Our operating environment is characterized by several risks, which can potentially impact our current and future goals. We believe that effective compliance and risk management activities will drive the sustainability of corporate performance. Our philosophy is imbued on strict adherence to the governance mechanism laid down in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

### 2. BOARD OF DIRECTORS& GOVERNANCE STRUCTURE

The Board of Directors (the Board) is responsible for strategic supervision, overseeing the management performance and governance of the Company on behalf of the shareholders and other stakeholders. The Board exercises independent judgement and plays a vital role in the oversight of the Company’s affairs. The Board also ensures adherence to the standards of Corporate Governance and transparency in the Company’s functioning.

The responsibility for identifying and evaluating a suitable candidate for the Board is delegated to the Nomination and Remuneration Committee (NRC). While selecting a candidate, the NRC reviews and evaluates the Board’s composition and diversity to ensure that the Board and its committees have the appropriate mix of skills, experience, independence and knowledge for continued effectiveness.

The information on composition and category of directors as well as attendance of each director at the meetings of the Board of Directors held during the year ended on March 31, 2023 and at the last annual general meeting and their directorships in other companies and committee membership in other public companies as of the year-end is as under:

Name of Director	Category	No. of board meetings attended	Attendance at the last AGM	No. of other Directorships
Dr. K. Koteswara Rao	Chairman & MD – Promoter	4	Yes	One
Mrs. Sujana Kadium	Non-executive Independent	4	Yes	One
Mrs. Swetha Marri	Non-executive Independent	4	Yes	None
Mr. Santosh Kumar	Non-executive Independent	4	Yes	None

### 3. MEETINGS & REVIEW:

The Board of Directors is the apex body constituted by shareholders and is vested with the powers of governance, control, direction and management of affairs of the Company. The Board provides strategic direction and guidance to the Company, and has been steering the Company towards achieving its objectives. Driven by the principles of corporate governance philosophy, the Board strives hard to work in best interest of the Company and its stakeholders.

The Board of Directors of the company met 4 (Four) times during the last financial year ended on 31<sup>st</sup> March 2023. These meetings were held on 30<sup>th</sup> May 2022, 13<sup>th</sup> August 2022, 12<sup>th</sup> November 2022 and 14<sup>th</sup> February 2023. The company placed before the Board:

- quarterly and annual consolidated and standalone results & financial statements of the Company;
- Minutes of meetings of the Board and Board Committees, resolutions passed by circulation, and information pertaining to the subsidiary company;
- Any material default in financial obligations to and by the Company or substantial non-payment for services provided by the Company;
- Quarterly compliance certificates which includes noncompliance, if any, of regulatory, statutory nature or listing requirements and shareholders service;
- Appointment, remuneration and resignation of Directors;
- Formation/re-constitution of Committees;
- Disclosures received from Directors;
- Proposals requiring strategic guidance and approval of the Board;
- Related party transactions;
- Regular business / function updates;
- Significant changes in accounting policies and internal controls;
- Report on action taken on previous Board meeting decisions and;
- Reviewing and guiding the corporate strategy and;
- risk assessment and minimization procedures.

The Company places all information, as and when applicable, as specified in Part A of Schedule II of the Listing Regulations before the Board of Directors.

#### **4. CODE OF CONDUCT**

The Board has laid down the code of conduct for members of the Board and senior management personnel of the Company. Board members and senior management personnel has affirmed compliance with the code and based thereon a declaration by managing director of the Company in this regard has been annexed to this report.

#### **5. RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

There is no relationship between any of the Directors and none of the non-executive directors hold any shares of the Company as on March 31, 2023.

#### **6. AUDIT COMMITTEE**

The composition of the Audit Committee complies with the requirement laid down in the Listing Regulations as well as Companies Act, 2013. Mrs. Sujana Kadium is Chairman of the Audit Committee, while Ms. Swetha Marri and Dr K. Koteswara Rao are the other members

of the Audit Committee. The Audit Committee reviews information specified in Section B of Part C of Schedule II of the Listing Regulations, to the extent applicable.

The terms of reference of the Audit Committee are as per the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations. The terms of reference are:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Monitoring the end use of funds raised through public offers and related matters;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Approval or any subsequent modifications of transactions of the Company with related parties as per the Companies Act, 2013 and Listing Regulations;
- Examination of the financial statements and the auditors' report thereon; and
- Such other items of business as the Companies Act, 2013, rules made there under and the Listing Agreement for the time being in force requires or may hereinafter require the audit committee to consider, review, evaluate, examine, scrutinize, value, approve, monitor, report, note or otherwise.

The Board of Directors of the company met 4 (Four) times during the last financial year ended on 31<sup>st</sup> March 2023. These meetings were held on 30<sup>th</sup> May 2022, 13<sup>th</sup> August 2022, 12<sup>th</sup> November 2022 and 14<sup>th</sup> February 2023. The company placed before the Board:

The attendance of each member of the Committee is given below:

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
Mrs. Sujana Kadium	4
Mrs. Swetha Marri	4
Dr. K. Koteswara Rao	4
Mr. Santosh Kumar	4

## 7. SHARE TRANSFER COMMITTEE

The Stakeholders Relationship Committee comprising Dr K Koteswara Rao and Mrs. Sujana Kadium, have been assigned the work of redressal of investors/ Shareholders complaints along with approval of share transfer, sub-division/ consolidation of shares, etc. The Committee oversees the performance of Registrar and Share Transfer Agents and recommends measures for overall improvement of the quality of investor services. The Share Transfers / Transmissions approved by the committee are placed at the Board Meeting from time to time. The complaints received from the investors are being regularly attended to and are believed to be resolved to their satisfaction. The status of the investors' complaints is reviewed by the Stakeholders Relationship Committee generally on quarterly basis.

During the year, the Company received 1 investor complaint which has been attended to and believed to have been resolved to the satisfaction of the investors. Thus, no investor grievance was pending at the year-end.

### COMPLIANCE OFFICER

There are no changes in Compliance officer during the year.

## 8. REMUNERATION OF DIRECTORS

The details of remuneration paid to Directors are given below:

NAME OF THE DIRECTOR	RELATIONSHIP WITH OTHER DIRECTORS	SITTING FEE (Rs.)	SALARY & PERKS (Rs.)	TOTAL (Rs.)
Dr K Koteswara Rao	None	0/-	0	0
Ms. Swetha Marri	None	20,000/-	0	20,000/-
Ms. Sujana Kadium	None	20,000/-	0	20,000/-
Mr.Santosh Kumar	None	20,000/-	0	20,000/-
Total		60,000/-	0	60,000/-

## 9. DISCLOSURES

- The Company has not entered into any materially significant related party transaction with any related party that may have potential conflict with the interest of the Company at large.
- SBIRI/BIRAC: A loan of Rs. 409 lacs was availed out of total sanctioned amount of Rs.567 lacs from SBIRI in 2010 for developing and manufacturing Orlistat. Since the product could not achieve the final quality to get regulatory approval for marketing it and because of subsequent delays in attempts to get it marketable quality, the demand for this particular product has almost disappeared. Therefore, the loan amount became repayable with penal interest at the rate of 12%/pa. BIRAC has raised a demand for payment of Rs. 5,00,73,313.42.
- The Company has complied with all requirements of corporate governance report of sub-paras (2) and (10) of the Part C of Schedule V of the Listing Regulations. The Company has also submitted to the Exchanges periodical compliance reports on corporate governance within the prescribed period.
- During the year, there were no transactions of material nature with the Directors or the Management or the subsidiaries or relatives that had potential conflict with the interests of the company.

## 10. MEANS OF COMMUNICATION

The company publishes its quarterly results in the Regional vernacular News Paper and National Newspaper.

The company has a website [www.transgenebiotek.com](http://www.transgenebiotek.com) where all the official news releases and the developments that are taking place in relation to the company are updated and displayed. There is also an email address for receipt of any complaints: [info@transgenebiotek.com](mailto:info@transgenebiotek.com).

## 11. AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

A Certificate from the Auditors is enclosed along with this report.

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## SHAREHOLDERS' INFORMATION

A	Registered Office	Plot No. 69 & 70 ,IDA Bollaram, Sangareddy District. TS.
B	Annual General Meeting	
	Date & Time	<b>30<sup>th</sup> December 2023 at 10.00 AM</b>
C	Financial Calendar	
	Financial Reporting for	
	Quarter ending June 30, 2022	14 <sup>th</sup> August 2022,
	Quarter ending September, 30 2022	12 <sup>th</sup> November 2022
	Quarter ending December, 31 2022	14 <sup>th</sup> February 2023
	Quarter ending March 31, 2023	30 <sup>th</sup> May 2023
	Annual General meeting for FY ended 31 <sup>st</sup> March 2023	30 <sup>th</sup> December 2023
D	Date of Book Closure	26 <sup>th</sup> December 2023 to 29 <sup>th</sup> December 2023
E	Dividend Payment Date	Not Applicable
F	Listing on Stock Exchange	Bombay Stock Exchange Limited P J Towers, Dalal Street Mumbai – 400 001.
G	Stock Code	526139
H	Stock Market Data	The Company's shares are regularly traded on The Bombay Stock Exchange Limited.
I	Registrar and Share Transfer Agents	M/S Bigshare Services Pvt. Ltd. 306, 3rd Floor, Right Wing, Amrutha Ville, Bhavan Road Somajiguda, Hyderabad – 500082
J	Share Transfer System	Generally, the shares have been transferred and returned in 30 days from the date of receipt, so long as the documents have been clear in all respects.
K	Stakeholders Relationship Committee	The Stakeholders Relationship Committee generally meets once in a fortnight.
L	Investor Relations	The Company has been maintaining good investor relations.

### **M) Distribution of shareholding as on 31<sup>st</sup> March 2023**

Share Holder or Debenture Holding of nominal Value of		Share Holder or Debenture Holding of nominal Value of		Share / Debenture Amount	
Rs.	Rs.	Number	% of Total	Number	% of Total
(1)	(2)	(3)	(4)	(5)	(6)
Upto	- 5000	7666	65.59	1152998	1.52
5001	- 10000	1285	10.99	1123923	1.48
10001	- 20000	890	7.61	1442213	1.90

20001	-	30000	398	3.40	1045214	1.37
30001	-	40000	196	1.67	710766	0.94
40001	-	50000	286	2.45	1374703	1.82
50001	-	100000	401	3.45	3120569	4.12
100001	and above		565	4.84	65799614	86.85
TOTAL			<b>11687</b>	<b>100.00%</b>	<b>75770000</b>	<b>100%</b>
<b>N</b>	Dematerialisation of shares and liquidity		As on 31 <sup>st</sup> March, 2023 out of the total shareholding of 7,57,70,000 equity shares. 6,54,25,445 equity shares representing 86.34% of equity shares are in dematerialised form.			
<b>O</b>	<b>Particulars of Past Three AGMs</b>					
AGM	Year	Venue	Date	Time		
32 <sup>nd</sup>	2022	Through Video Conferencing / Other Audio - Visual Means (OAVM)	30 <sup>th</sup> September 2022	10.00 A.M.		
31 <sup>st</sup>	2021	Through Video Conferencing / Other Audio - Visual Means (OAVM)	30 <sup>th</sup> September 2021	10.00 A.M.		
30 <sup>th</sup>	2020	Through Video Conferencing / Other Audio - Visual Means (OAVM)	30 <sup>th</sup> September 2020	11.00 A.M.		
<b>P</b>	Postal Ballot	No resolution requiring a postal ballot under Section 192 A of the Companies Act, 1956 was placed before the last AGM nor is being proposed to be passed at the ensuing AGM.				
<b>Q</b>	Nomination Facility	Shareholders, holding shares in physical form and desirous of making/changing a nomination in respect of their shareholding in the company as permitted under Section 109A of the Companies Act 1956 are requested to submit to the Compliance Officer in the prescribed form 2B for this purpose, which can be furnished by the company on request.				

**R. SHAREHOLDING PATTERN FOR THE QUARTER ENDED: 31.03.2023**

Sl. no	Category	No. of Shares held	Percentage Of Shareholding
<b>(a)</b>	<b>Promoter's Holding</b>		
1	<b>Promoters</b>		
	<b><u>Indian Promoters:</u></b>	16427902	21.68%
	<b><u>Foreign Promoters:</u></b>	NIL	NIL
2	Persons acting in concert		
	<b>Sub-Total</b>	<b>16427902</b>	<b>21.68%.</b>
<b>(b)</b>	<b>Public Share Holding – Institutions</b>		
3	Institutional investors / Venture Capital Funds	NIL	NIL
4	Mutual Funds and UTI(Govt. Financial Institutions)	NIL	NIL
5	Banking, Financial Institutions / Insurance Companies (Central /State Government Institutions / Non-Government Institutions)	00	0.00
6	Foreign Institutional Investor	NIL	NIL
	<b>Sub-Total</b>	<b>0</b>	<b>0</b>
	<b>Public Share Holding – Non-Institutions</b>		
7	Others		
a.	Private corporate Bodies	471442	0.68%
b.	Indian Public	51483561	67.75%
c.	NRIs/OCBs	1090056	1.57%
d.	Any other (Clearing Member)	26369	0.04%
e.	GDR	6270000	8.28%
F	Trusts	670	0.00
	<b>Sub-Total</b>	<b>59342098</b>	<b>78.32</b>
	<b>Grand Total</b>	<b>75770000</b>	<b>100.00 %</b>

**S) OUTSTANDING GDRS, WARRANTS, OR ANY OTHER CONVERTIBLE INSTRUMENT**

The Company has 62,70,000 outstanding GDRs. There are no Warrants or any other convertible instruments or any issue (public issue, right issue, preferential issue etc.) which is likely to have impact on Equity Share Capital of the Company.

**T) REGISTERED OFFICE**

Plot No. 69 & 70 IDA Bollaram,  
Sangareddy District. TS

**U) The shareholders may address their communications / suggestions / grievances/ queries to:****TRANSGENE BIOTEK LIMITED**

Plot No. 69 & 70, IDA Bollaram,  
Sangareddy District, TS

Ph. No: 08458-293434

Email: info@transgenebiotek.com

## DIRECTORS RESPONSIBILITY STATEMENT

:

1. We were informed by BIRAC in its email dated 7<sup>th</sup> July 2022 that failing to pay the outstanding amount may take the company towards initiation of CIRP proceedings against the company.
2. We have reviewed the financial statements and the cash flow statement for the year ended **31st March 2023** and to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
4. We accept responsibility for establishing and maintaining internal control. We have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take and rectify the identified deficiencies.
5. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal controls. These financial statements have been audited by M/s. Manisha Dubey & Associates, Chartered Accountants, Hyderabad, the Statutory Auditors of the Company.

By the Order of the Board  
For TRANSGENE BIOTEK LIMITED

Sd/-

Dr. K. KOTESWARA RAO  
CHAIRMAN & MANAGING DIRECTOR

PLACE: HYDERABAD

DATE: 14-11-2023

## CODE OF CONDUCT DECLARATION

Pursuant to 15(2) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 entered into with the stock exchange, I hereby declare that all the Board members and senior management personnel of the company have affirmed compliance with the code of conduct for the year ended **March 31, 2023**.

By the Order Of the Board  
For TRANSGENE BIOTEK LIMITED

Sd/-

Dr. K. KOTESWARA RAO  
CHAIRMAN & MANAGING DIRECTOR

PLACE: HYDERABAD

DATE: 14-11-2023

“Annexure D”

**ANNEXURE TO THE REPORT OF THE DIRECTORS**  
**AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE**

**Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**To**

**The Members**

**M/s. Transgene Biotek Limited**

**Managements' Responsibility**

The Corporate Governance Report prepared by Transgene Biotek Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")('applicable criteria') with respect to Corporate Governance for the year ended **March 31<sup>st</sup> 2023**. This certificate is required by the company for annual submission to the Stock Exchange and to be sent to the shareholders of the Company.

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Controls for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## **Opinion**

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Listing Regulations during the year ended March 31, 2023.

We state that such compliance is neither an assurance as to the future viability of the Company or the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Manisha Dubey & Associates**  
Chartered accountants,  
Firm Registration No. 010114S

Sd/-

**Manisha Dubey**  
**Proprietor**  
**M.No. : 212664**

Place: Hyderabad  
Date: 30-05-2023

**UDIN -23212664BGZHJT6056**

## **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of TRANSGENE BIOTEK LIMITED

We have examined the compliance with conditions of Corporate Governance of M/s. TRANSGENE BIOTEK LIMITED, for the year ended **March 31, 2023**, as stipulated in Clause 15(2) of SEBI (Listing Obligations and Disclosures Requirements with stock exchanges).

The compliance with conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 15(2) of SEBI (Listing Obligations and Disclosures Requirements).

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the company as per the records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Manisha Dubey & Associates**  
Chartered accountants,  
Firm Registration No. 010114S

Sd/-

**Manisha Dubey**  
**Proprietor**  
M.No. : 212664  
Place: Hyderabad  
Date: 30-05-2023

**UDIN -23212664BGZHJT6056**



**GEETA SERWANI & ASSOCIATES  
PRACTICING COMPANY SECRETARY  
401, 10-3-171, Sri Ranga Apartments, Opp. Keyes High School,  
St. Johns Road, Secunderabad - 500025.  
Contact no. 8885536949.  
E- MAIL ID - gserwani2@gmail.com**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

To  
The Members,  
M/s. Transgene Biotek Limited  
CIN : L85195TG1990PLC011065

I, Geeta Serwani, Proprietor of M/s. Geeta Serwani and Associates, Practicing Company Secretary have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Transgene Biotek Limited(CIN : L85195TG1990PLC011065) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2023 complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 1992 ('SEBI Act'); The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999; Not Applicable
- (d) The Securities and Exchange Board of India ( Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
- (e) The Securities and Exchange Board of India ( Registration to an Issue and Share Transfers Agents ) Regulations, 1993;
- (f) The Securities and Exchange Board of India ( Delisting of Equity Shares) Regulations, 2009; Not Applicable
- (g) The Securities and Exchange Board of India (Buyback of Securities ) Regulations, 1998 - Not Applicable

I have also examined compliance with the applicable clause of the following;

- I. The Secretarial Standards issue by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE Limited and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, the Industry specific major Acts as applicable to the Company are complied.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that -

1. The Company is not regular in remitting undisputed statutory dues to the respective departments.
2. As per SEBI (LODR) Regulations, 2015 – Regulation No. 13, 22 and 23, policies for Grievance Redressal Mechanism, Vigil mechanism and Related party transactions are not framed.
3. As per SEBI (LODR) Regulations, 2015 – Regulation 46 the information's are not available /updated on the website of the company.

4. Company has not complied with Structured Digital Database (SDD) under SEBI (Prohibition of Insider Trading) Regulations, 2015 to be maintained by company and compliance report to stock exchange.

5. Brief on SEBI and GDR issue:

- Securities and Exchange Board of India (SEBI) had conducted preliminary inquiry on receiving certain complaints on the matter of GDRs issued by the Company and its utilization thereof, basically on the angle of protection of Investors' interest. SEBI prima facie conducted that the GDR proceeds have been transferred by the Company, directly or indirectly, through foreign subsidiary for undisclosed purposes under the garb of consideration for technology transfer and consequently passed an interim order inter alia, restraining the Company from issuing any securities. The Company has appealed against the said order. The findings of the SEBI as per their order on the utilization/transfer of GDR proceeds for undisclosed purposes point out towards violations of the provisions of the provisions of the Foreign Exchange Management Act as well as GDR approval conditions.
- On August 28<sup>th</sup> 2019 SEBI has issued its final order against Ref No WTM/AB/EFD-1/DRA-4/18/2019-20 confirming its ban on the company to access Securities Market in what so ever manner. Also it directed the company to recover GDR proceeds through its ongoing various measures within one year from the date of its order.
- Representation was given by Dr K Koteshwar Rao to SEBI on 22<sup>nd</sup> Aug 2020 requesting therein extension of time period to bring back the money, as directed in para 49(a) of the order, because the recovery of GDR funds have been completely blocked due to global lockdown as a result of global COVID-19 pandemic.
- SEBI considered the same representation and issued a revised order Further on August 31<sup>st</sup> 2020 revised order no WTM/AB/EFD-1/DRA-4/08/2020-21 dated 31<sup>st</sup> Aug 2020 directing the company to recover GDR proceeds through its ongoing various measures within one year from the date of its order.
- SEBI as imposed a penalty of Rs.38 lacs on the company and monetary penalties on earlier Directors on Board during the GDR issue period through its Adjudication order dated June 27, 2022 pertaining to GDR issue. The company has informed that since it has filed an appeal at SAT on this order, the penalty amount has not been paid hence, SEBI has frozen the bank and Demat accounts of the company till SAT passes its directions

We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to the above.

Geeta Serwani & Associates  
(Practicing Company Secretary)

Sd/-

(Geeta Serwani)

Proprietor

FCS: 8991, COP: 8842

Place : Hyderabad

Date :14.11.2023

UDIN - F008991E001900727

Note: This report is to be read with letter of even date which is annexed as "ANNEXURE A" and forms an integral part if this report.

'Annexure A'

To  
The Members  
Transgene Biotek Limited

The Report of even date is to be read along with this letter.

- 1.) Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit. My examination was limited to verification of procedure on test basis.
- 2.) I have followed the Audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are recorded in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
- 3.) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4.) Wherever required I have obtained the management representation about the Compliance of Law, rules and Regulations and happening of events etc.
- 5.) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Geeta Serwani & Associates  
(Practicing Company Secretary)

Sd/-  
(Geeta Serwani)  
Proprietor  
FCS: 8991  
COP: 8842

Place : Hyderabad  
Date : 14.11.2023

UDIN - F008991E001900727

**FormNo.MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH 2023**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	L85195TG1990PLC011065
<b>ii.</b>	Registration Date	01-03-1990
<b>iii.</b>	Name of the Company	<b>TRANSGENE BIOTEK LIMITED</b>
<b>iv.</b>	Category/Sub-Category of the Company	Company Limited by shares and Indian Non-Government Company
<b>v.</b>	Address of the Registered office and contact details	Plot No. 69 & 70, Anrich Industrial Area, Bollaram, Sangareddy District.
<b>vi.</b>	Whether listed company	Yes
<b>vii.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt Ltd. 306, Right Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Raj Bhavan Road, Hyderabad. 500082.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Principal activities of the company during the year 2022-23 revolved around production and oral formulation of different proteins using TrabiORAL technology.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1.	Transgene HK Limited	1660959	Subsidiary	100	129
2.	Peroral Bio Private Limited	U24230TG2020PTC147169	Subsidiary	100	129

<b>I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)</b>									
<b>i. Category-wise Share Holding</b>									
Category of	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year				% Change during	
Shareholders	31-03-2022			31-03-2023				the year	
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/HUF	6427902	10000000	16427902	21.68	6427902	10000000	16427902	21.68	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
	6427902	10000000	16427902	21.68	6427902	10000000	16427902	21.68	0
Sub-total(A)(1):-									
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									

a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)									
<b>2. Non Institutions</b>									
a) Bodies Corp.	487595	0	487595	0.70	471442	0	471442	0.68	0.02
(i) Indian									
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	1,25,32,488	149164	12681652	18.25	12109237	11959072	24068309	17.48	0.77
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3,69,38,428	195391	37133819	53.43	37391789	37197799	74589588	53.80	-0.37
c) Others(Specify)									
<b>i) Non Resident</b>	<b>803868</b>	<b>0</b>	<b>803868</b>	<b>1.16</b>	<b>1090056</b>	<b>0</b>	<b>1090056</b>	<b>1.57</b>	<b>0.41</b>

<b>Indians</b>									
<b>ii) Clearing Members</b>	<b>37801</b>	<b>0</b>	<b>37801</b>	<b>0.05</b>	<b>26369</b>	<b>0</b>	<b>26369</b>	<b>0.04</b>	<b>0.42</b>
<b>iii) Trusts</b>	<b>670</b>	<b>0</b>	<b>670</b>	<b>0</b>	<b>670</b>	<b>0</b>	<b>670</b>	<b>0</b>	<b>0</b>
<b>iv) HUF</b>	<b>1926693</b>	<b>0</b>	<b>1926693</b>	<b>2.77</b>	<b>1982535</b>	<b>0</b>	<b>1982535</b>	<b>2.85</b>	<b>-008</b>
Sub-total (B)(2)	<b>52727543</b>	<b>344555</b> 344555	<b>53072098</b> 53072098	<b>76.36</b>	<b>53072098</b>	<b>4915687</b> <b>1</b>	<b>102228969</b>	<b>76.36</b>	<b>-1.7</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>52728400</b>	<b>344555</b>	<b>5302995</b>	<b>76.36</b>	<b>59500000</b>	<b>5915687</b> <b>1</b>	<b>118656871</b>	<b>76.36</b>	<b>-1.7</b>
C. Shares held by Custodian for GDRs & ADRs	<b>6270000</b>	<b>0</b>	<b>6270000</b>	<b>8.28</b>	<b>6270000</b>	<b>0</b>	<b>6270000</b>	<b>8.28</b>	<b>0</b>
Grand Total (A+B+C)	<b>65425445</b>	<b>1034455</b> <b>5</b>	<b>75770000</b>	<b>100</b>	<b>65425845</b>	<b>1034415</b> <b>5</b>	<b>75770000</b>	<b>100</b>	<b>0</b>

*i.Shareholding of Promoters*

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Dr Koteswara Rao	15211902	20.07	0	15211902	20.07	0	0
2.	Mrs K Nirmala Rao	1192000	1.57	0	1192000	1.57	0	0
3.	Mr K Srinivas	24000	0.03	0	24000	0.03	0	0
	<b>Total</b>	<b>16427902</b>	<b>21.68</b>	<b>0</b>	<b>16427902</b>	<b>21.68</b>	<b>0</b>	<b>0</b>

ii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>16427902</b>	<b>21.68.</b>	<b>16427902</b>	<b>21.68</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
	At the End of the year	<b>16427902</b>	<b>21.68</b>	<b>16427902</b>	<b>21.68</b>

#### IV. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

In lakhs Rs.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	461.90	141.48	-	603.38
ii) Interest due but not paid	Nil	Nil		Nil
iii) Interest accrued but not paid	Nil	Nil		Nil
<b>Total(i+ii+iii)</b>	<b>461.90</b>	<b>141.48</b>	<b>-</b>	<b>603.38</b>
Change in Indebtedness during the financial year				
- Addition	18.14	40.59	-	58.73
- Reduction	--	-	-	-
Net Change	<b>18.14</b>	<b>40.59</b>	<b>-</b>	<b>58.73</b>
Indebtedness at the end of the financial year				
i) Principal Amount	480.04	182.07	-	662.11
ii) Interest due but not paid	Nil	Nil	-	Nil
iii) Interest accrued but not due	Nil	Nil	-	Nil
<b>Total (i+ii+iii)</b>	<b>480.04</b>	<b>182.07</b>	<b>-</b>	<b>662.11</b>

## V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and /or Manager

Sl. No.	Particulars of Remuneration		
		K. Koteswara Rao – MD	Total amount
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profit in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...Sitting fee	Nil	NIL
5.	Others, please specify	NIL	NIL
6.	Total(A)	Nil	Nil
	Ceiling as per the Act		

***B. Remuneration to other directors:***

Sl. No.	Particulars of Remuneration Independent Directors	Santosh Kumar	Sujana Kadium	Swetha Marri	Total Amount
	·Fee for attending board meetings ·Committee Meetings ·Others, please specify	20,000	20,000	20,000	60,000
	Total(1)	20,000	20,000	20,000	60,000
	<u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify				Nil
	Total(2)				
	Total(B)=(1+2)				60,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

### C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Whole-Time Company Secretary Ankita Jain	CFO Prasad Chowdary	Total
1.	Gross salary (a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b)Value of perquisites u/s 17(2) Income-tax Act, 1961 (c)Profit in lieu of salary under section 17(3) Income-tax Act, 1961	<u>NIL</u>	240000	456000	696000
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as% of profit - others, specify...		<b>Not Applicable</b>		
5.	Others, please specify				
6.	Total		240000	456000	696000

### VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding		NIL	NIL	NIL	
<b>B. Directors</b>					
Penalty		NIL	NIL	NIL	
Punishment					
Compounding					
<b>C. Other Officers In Default</b>					
Penalty		NIL	NIL	NIL	
Punishment					
Compounding					

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS,

### **TRANSGENE BIOTEK LIMITED**

#### **Report on the Audit of Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of M/s. Transgene Biotek Limited ("The Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2023 and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

The Key Audit Matters	How our Audit addressed the key audit matter
<b>SEBI ENQUIRY &amp; ITS STATUS</b>	
<p>Securities and Exchange Board of India (SEBI) had conducted preliminary inquiry on receiving certain complaints on the matter of GDRs issued by the Company and its utilization thereof, basically on the angle of protection of Investors' interest. SEBI prima facie conducted that the GDR proceeds have been transferred by the Company, directly or indirectly, through foreign subsidiary for undisclosed purposes under the garb of consideration for technology transfer and consequently passed an interim order inter alia, restraining the Company from issuing any securities. The Company has appealed against the said order.</p> <p>The findings of the SEBI as per their order on the utilization/transfer of GDR proceeds for undisclosed purposes point out towards violations of the provisions of the provisions of the Foreign Exchange Management Act as well as GDR approval conditions, the impact of which we are unable to quantify at this stage.</p> <p>The Adjudication officer in exercise of the powers conferred upon him under section 15I of the SEBI Act r/w rule 5 of the SEBI Adjudication Rules and 23I of the SCRA r/w rule 5 of the SCR Adjudication Rules, SEBI passed an Adjudication order on 27.06.2022 imposing monetary penalty on the Noticees for their violation of the provisions of law. Penalty of Rs.38.00 Lakhs has been imposed on company.</p>	<p><b>Principal Audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>➤ The documents made available to us, the management is seriously pursuing to recover GDR money. In this process they have appointed Lawyers internationally wherever the alleged parties involved in GDR scam are present. The case is forwarding in good speed. <ul style="list-style-type: none"> <li>➤ Further on August 28<sup>th</sup> 2019 SEBI has issued its final order against Ref No WTM/AB/EFD-1/DRA-4/18/2019-20 confirming its ban on the company to access Securities Market in what so ever manner. Also it directed the company to recover GDR proceeds through its ongoing various measures within one year from the date of its order.</li> <li>➤ A Representation was given by Dr K Koteswar Rao to SEBI on 22nd Aug 2020 requesting therein extension of time period to bring back the money, as directed in para 49(a) of the order, because the recovery of GDR funds have been completely blocked due to global lockdown as a result of global COVID-19 pandemic.</li> </ul> </li> <li>➤ SEBI considered the same representation and issued a revised order Further on August 31<sup>st</sup> 2020 revised order no WTM/AB/EFD-1/DRA-4/08/2020-21 dated 31st Aug 2020 directing the company to recover GDR proceeds through its ongoing various measures within one year from the date of its order.</li> <li>➤ The Board has been informed that the required amount of UKP 20,000 is yet to be transferred to Candey, law firm at London due to paucity of funds. Once the amount is transferred to Candey and through Candey to SW at Zurich, another letter from a peer reviewed Chartered Accountant shall be sent to SEBI explaining ongoing efforts taken by Transgene and Dr Rao for recovering lost GDR funds.</li> <li>➤ Notices to appear on May 10, 2023 through video in front of the Adjudication officer have been received by the company and its past directors connected with the GDR issue. Response letter has been sent, a copy of which is presented to the Board to keep it on record. Outcome from the adjudication proceedings shall be brought to the attention of the Board as and when it progresses.</li> <li>➤ In the meantime, our petition to set aside SEBI Adjudication proceedings is still pending at the Hon'ble High Court of Telangana.</li> <li>➤ All the compliances and instructions given by SEBI are being complied with like submission of certificates by PEER REVEIWED CA etc as and when asked for by the company.</li> <li>➤ As per the appeal filed with SAT, company felt it unjust penalizing without consideration to the facts of the whole issue more specifically on the matter of passing an unfair and unjust order without taking into consideration and in defiance to the earlier passed SAT</li> </ul>

	order dated August 27, 2017 Company filed an appeal at SAT once again which is currently pending for hearing on June 17, 2023.
<b>GDR Issue:</b>	
<p>There is an outstanding balance of Rs.2302.00 lakhs which pertains to advance given to a party out of the proceeds of GDR. The contention of the management is that the payments were made without Company's authorization or knowledge, the same was submitted to SEBI during their investigations. The Management has been stating all through that the entire GDR fund of USD 40.5 mil except for USD 0.6 mil received by the company into its account at Union Bank was siphoned out of its account at Investec Bank. The amount shown in the account as an 'Outstanding Balance' is misleading and factually incorrect as per the documents made available through FINMA and all other sources.</p> <p>The Management is however trying to recover the lost GDR funds based on the factual documented evidences</p> <p>However, the Management as a prudent measure, made full provision for the amount, in the Books of Account considering the facts.</p>	<ul style="list-style-type: none"> <li>➤ The company has been trying to recover this amount along with GDR proceeds from various parties as discussed above.</li> <li>➤ In our Audit procedure, we have verified the documents as relating the case and its advancement and assessed management's claim on the same.</li> <li>➤ However we are unable to opine whether this amount is recoverable or not as we are unable to obtain confirmation from the concerned party.</li> </ul>
<b>INVESTMENTS:</b>	
<p>Under the head Investment, an amount of Rs. 9220.10 Lakhs is made in Wholly owned subsidiary company viz. Transgene Biotek HK Limited.</p> <p>The Management has been stating all through that the entire GDR fund of USD 40.5 mil except for USD 0.6 mil received by the company into its account at Union Bank was siphoned out of its account at Investec Bank. The amount shown in the account as an 'Outstanding Balance' is misleading and factually incorrect as per the documents made available through FINMA and all other sources.</p> <p>The Management is however trying to recover the lost GDR funds based on the factual documented evidences</p> <p>As the subsidiary is not in operations, the books of accounts have not been audited since many years along with FY 2021-22.</p> <p>As this amount may not be recoverable, as a prudent measure, management made full provision in the books of account considering</p>	<ul style="list-style-type: none"> <li>➤ In the absence of alternative methodologies to independently evaluate the same, we are unable to express an opinion whether the said sum as reflected under the above head is recoverable at the value at which it is stated.</li> <li>➤ As we don't have any data of the foreign subsidiary the same figures of audited in 2015-16 are being consolidated in Financial statements.</li> </ul>

<p>the above development. The company is not recognizing foreign gain of loss as there are no transactions incurred since many years. The last available figures are of 2015-16 and the same are being carried forward since then.</p> <p>Under the head investments, an amount of Rs. 0.99 Lakhs is made in Wholly owned subsidiary company PerOral Bio Private Limited which was incorporated on 23.12.2020.</p>	<p>➤ There are no much significant transactions incurred in this subsidiary company in this financial year ending.</p>
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### **Information Other than the Standalone 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 Management Discussion and Analysis, Board’s Report including annexures thereto, Business Responsibility Report, Governance and shareholder’s information but does not include the standalone financial statements and our auditor’s report thereon.

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

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

### **Management’s responsibility for the Standalone Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also include maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error,

In preparing the Standalone financial statements, management is responsible for assessing the company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the Standalone Financial statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the Magnitude of misstatements in the standalone financial statements, that individually or in aggregate, makes it probable that the economic decisions of a reasonably Knowledgeable user of the financial statements may be influenced, We consider quantitative materiality and qualitative matters in (i) planning the scope of our audit work and in evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Report on other legal and regulatory requirements**

As required by Section 143(3) of the Act, we report to the extent applicable, that:

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.

- a. In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
- b. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained.
- c. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- d. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- e. 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- f. 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:
  - a. 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.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in 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 standalone financial statements
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - III. There has been no delay in transferring amounts, required to be transferred to the investor Education and Protection fund by the company.

As required by the companies (Auditor's Report) Order, 2016 ("the order"), issued by the central Government in terms of section 143 (11) of the Act, we give in "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **MANISHA DUBEY & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 010114S

Sd/-

PLACE : HYDERABAD  
DATE : 30-05-2023

Manisha Dubey  
Proprietor  
MRN: 212664

UDIN: 23212664BGZHJT6056

## **Annexure - A to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s. TRANSGENE BIOTEK LIMITED as on March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's responsibility for internal financial controls**

The Board of Directors of the Company 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. 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, 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 internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 in the 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 control system over financial reporting.

## **Meaning of internal financial controls over financial reporting**

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

## **Limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 MANISHA DUBEY & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 010114S  
Sd/-

ManishaDubey  
Proprietor  
MRN: 212664

PLACE : HYDERABAD  
DATE : 30-05-2023

## ANNEXURE - B TO THE AUDITORS' REPORT

### **Annexure referred to in paragraph 3 and 4 of the Independent Auditor's Report of even date of TRANSGENE BIOTEK LIMITED, Hyderabad on the Standalone Financial Statements for year ended March 31, 2023:**

- 1) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state the following:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. In case of Technology item, we have been informed that certain balancing components are yet to be received without which the technology is incomplete for the full effective intended usage. Subject to this, the other fixed assets have been physically verified by the management and this revealed no material discrepancies.
  - b. All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds/lease deeds of immovable properties included in Property, Plant and Equipment are held in the name of the Company.
- 2) Inventory:
  - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. No material discrepancies were noticed on verification of the physical stocks with the records.
- 3) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Thus clause (iii) of Companies (Auditor's Report) Order, 2016 is not applicable.
- 4) As informed to us, the Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Therefore, clause (iv) of Companies (Auditor's Report) Order, 2016 is not applicable.

- 5) According to the information and explanations given to us, the Company has not accepted deposits against the terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. Hence clause (v) of Companies (Auditor's Report) Order, 2018 is not applicable.
- 6) The central government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the company. Thus clause (vi) of Companies (Auditor's Report) Order, 2018 is not applicable
- 7) a) The company is not regular in depositing undisputed statutory dues. The amount of arrears, as at 31st March, 2023 outstanding for a period of more than six months from the date they became payable are as mentioned below:

• Income tax Provision (Asst year 2009-2010)	Rs.7.67 lakhs,
• Income Tax Provision (Asst Year 2011-2012)	Rs.3.86 lakhs,
• Income Tax Demand (Asst Year:2013-2014)	Rs.73.36 Lakhs
• Income Tax Demand (Asst Year:2019-2020)	Rs.2.43 Lakhs
• The nature of Income tax in TDS	Rs. 6.65 lakhs,
• Leave Encashment Payable Provision	Rs. 0.832 Lakhs
• Gratuity Payable	Rs.3.29 lakhs
• Provision for BSE Fines	Rs.2.70 lakhs
• Provision for Penalty on GDR Case	Rs. 37.704 Lakhs

b) According to the information and explanations given to us, there are no dues of sales tax, income tax and excise duty which have not been deposited on account of any dispute except the following:

Nature of Dues	Amount(Rs)	Period	From where dispute is pending
Customs Duty demand raised for Non- fulfillment of Export Obligation	59.37 lakhs	2002	CESTAT, Chennai
Service Tax liability due to difference of opinion on classification of service	76.15 lakhs	2011-12	Chief Commissioner of Customs, Excise & Service, Hyderabad
Service Tax liability due to difference of opinion on classification of service	7.36 lakhs	2010-11	Chief Commissioner of Customs, Excise & Service, Hyderabad

- 8) The company does not have any outstanding dues to financial institutions, banks or debenture holders during the year. Thus clause (viii) of Companies (Auditor's Report) Order, 2016 is not applicable.
- 9) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus clause (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- 10) Based upon 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.
- 11) According to the information and explanations given to us the company has not provided for any managerial remuneration as mandated under the provisions of Section 197, read with Schedule V of the act.

- 12) As the company is not a Nidhi Company and the Nidhi Rules 2014 are not applicable to it, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- 13) In our opinion and according to the information and explanations given to us, the company has not entered into any transaction with the related parties. Thus clause (xiii) of Companies (Auditor's Report) Order, 2016 is not applicable.
- 14) 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 convertible debentures during the year. Accordingly, the clause (xiv) of Companies (Auditor's Report) Order, 2016 is not applicable.
- 15) Based upon 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. Thus clause (xv) of Companies (Auditor's Report) Order, 2018 is not applicable.
- 16) 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.

For MANISHA DUBEY & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 010114S

Sd/-  
Manisha Dubey  
Proprietor  
MRN: 212664

PLACE : HYDERABAD  
DATE : 30-05-2023  
UDIN: 23212664BGZHJT6056

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

**Standalone Audited Balance sheet as at 31-03-2023**

Amount in Rs.

PARTICULARS	Note No	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	3	175,65,982	184,67,547
(b) Right of Use Assets		-	-
(c) Capital work-in-progress		-	-
(d) Investment Properties		-	-
(e) Goodwill		-	-
(f) Other intangible assets	4	469,18,565	955,03,182
(g) Intangible assets under development	4	186,76,633	186,76,633
(h) Biological Assets Other Than Bearer Plants		-	-
(i) Financial assets			
(i) Investments	5A	10,50,140	10,50,140
(ii) Trade Receivables		-	-
(iii) Loans	5B	2302,04,250	2302,04,250
(iv) Other Financial Assets		-	-
(j) Deferred Tax Assets (Net)		-	-
(k) Other non-current assets	6A	15,05,437	13,97,088
<b>SUB-TOTAL</b>		<b>3159,21,007</b>	<b>3652,98,840</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	7	3,37,603	9,46,220
(b) Financial assets			
(i) Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash and cash equivalents	8	29,824	56,849
(iv) Bank Balances other than (iii) above	8	699	94,378
(v) Loans		-	-
(vi) Other Financial Assets		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	6B	84,88,786	58,03,058
<b>SUB-TOTAL</b>		<b>88,56,912</b>	<b>69,00,505</b>
Non-Current Assets Classified as Held for Sale		-	-
<b>TOTAL ASSETS</b>		<b>3247,77,919</b>	<b>3721,99,345</b>

EQUITY AND LIABILITIES	Note No	As at 31 March 2023	As at 31 March 2022
<b>EQUITY</b>			
Equity share capital	9	7577,00,000	7577,00,000
Other equity	10	(8197,53,891)	(7596,70,205)
<b>SUB-TOTAL</b>		<b>(620,53,891)</b>	<b>-19,70,205</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	11	495,03,606	476,89,968
(ii) Trade Payable		-	-
(iii) Other financial liabilities		-	-
(b) Provisions	12A	2302,04,250	2302,04,250
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities	13A	35,07,763	52,61,643
<b>SUB-TOTAL</b>		<b>2832,15,619</b>	<b>2831,55,861</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	14	816,94,725	724,66,000
(ii) Trade payables	15	22,86,700	20,27,760
(iii) Other financial liabilities		-	-
(b) Provisions	12B	182,06,660	141,47,676
(c) Other current liabilities	13B	14,28,105	23,72,254
(d) Current tax liabilities (net)		-	-
<b>SUB-TOTAL</b>		<b>1036,16,190</b>	<b>910,13,690</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3247,77,919</b>	<b>3721,99,345</b>
<b>Corporate information and significant accounting policies</b>	1 & 2		
The accompanying notes form an integral part of the Consolidated financial statements			

The Accompanying notes are an integral part of Financial statements.  
As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**  
**Chartered Accountants**  
**FRN:010114S**

For and on behalf of the Board of Directors  
**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

Sd/-

Sd/-

**(MANISHA DUBEY)**  
**Proprietor**  
**MRN:212664**  
**UDIN:23212664BGZHJT6056**  
Place: Hyderabad  
Date: 30-05-2023

**Dr.K Koteswara Rao**  
Chairman & Managing Director  
DIN:02287235

**Sujana Kadiam**  
Director  
DIN:07167872

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

**Standalone Statement of Profit and Loss for the year ended 31-03-2023**

Amount in Rs.

Particulars	Notes	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>Continuing Operations</b>			
I Revenue from operations	16	5,50,847	8,66,949
II Other income	17	17,53,880	21,25,324
<b>III Total Revenue (I + II)</b>		<b>23,04,727</b>	<b>29,92,273</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	18	6,63,163	(4,62,132)
(b) Purchases of Stock-in-trade		-	-
(c) Changes in stock of finished goods, WIP and stock-in-trade		-	-
(d) Employee benefits expense	19	30,37,608	28,78,842
(e) Finance costs	20	18,13,638	22,67,800
(f) Depreciation and amortisation expense	21	495,00,842	992,43,560
(g) Impairment expenses/losses		-	-
(h) Other expenses	22	73,73,161	30,84,248
<b>Total expenses</b>		<b>623,88,413</b>	<b>1070,12,318</b>
<b>V Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>(600,83,686)</b>	<b>(1040,20,045)</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(loss) before tax (V - VI)</b>		<b>(600,83,686)</b>	<b>(1040,20,045)</b>
<b>VIII Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total tax expense</b>		-	-
<b>IX Profit/(loss) after tax from continuing operations (VII-VIII)</b>		<b>(600,83,686)</b>	<b>(1040,20,045)</b>
<b>X Other comprehensive income</b>			
A Items that will not be recycled to profit or loss		-	-
B Items that may be reclassified to profit or Loss		-	-
<b>XII Total other comprehensive income</b>		-	-
<b>Total comprehensive income for the period (IX +XII)</b>		<b>(600,83,686)</b>	<b>(1040,20,045)</b>
<b>Earnings per equity share</b>			
Basic (in Rs.)		(0.79)	(1.37)
Diluted (in Rs.)		(0.79)	(1.37)

The Accompanying notes are an integral part of Financial statements.

As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**

**Chartered Accountants**

**FRN:010114S**

**Sd/-**

**(MANISHA DUBEY)**

**Proprietor**

**MRN:212664**

**UDIN:23212664BGZHJT6056**

Place: Hyderabad

Date: 30-05-2023

For and on behalf of the Board of Directors

**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

**Dr.K K Koteswara Rao**

Chairman & Managing Director

DIN:02287235

Sd/-

**Sujana Kadium**

Director

DIN:07167872

**TRANSGENE BIOTEK LIMITED****Standalone Statement of changes in equity for the year ended 31 March 2023****A. Equity Share capital**

Amount in Rs.

Particulars	Number of Shares	Amount
As at 1 April 2021	757,70,000	7577,00,000
Changes in equity share capital during the year	-	-
As at 31 March 2022	757,70,000	7577,00,000
Changes in equity share capital during the year	-	-
As at 31 March 2023	757,70,000	7577,00,000

Particulars	Reserves and Surplus				Items of OCI	Total
	Securities premium reserve	Warrants Forfeiture reserves	Capital Redemption Reserve	Retained earnings	Other items of other comprehensive income	
As at 31 March 2022	13880,92,501	122,50,000	724,73,902	(22324,86,609)	-	(7596,70,206)
Profit for the year	-	-	-	(600,83,686)	-	(600,83,686)
Provisions W/o adjusted (See Note)	-	-	-	-	-	-
As at 31 March 2023	13880,92,501	122,50,000	724,73,902	(22925,70,294)	-	(8197,53,891)

The Accompanying notes are an integral part of Financial statements.

As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**

**Chartered Accountants**

**FRN:010114S**

Sd/-

**(MANISHA DUBEY)**

**Proprietor**

**MRN:212664**

**UDIN:23212664BGZHJT6056**

Place: Hyderabad

Date: 30-05-2023

For and on behalf of the Board of Directors

**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

**Dr.K K Koteswara Rao**

Chairman & Managing Director

DIN:02287235

Sd/-

**Sujana Kadium**

Director

DIN:07167872

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

**Standalone Statement of Cash Flows for the year ended 31-03-2023**

Particulars	Year ended 31/03/2023	Year ended 31/03/2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(600,83,686)	(1040,20,044)
<i>Adjustments for :</i>		
Depreciation and amortisation expense	495,00,842	992,43,560
Finance costs	18,13,638	22,67,800
Amortisation of government grant	(17,53,880)	(17,53,880)
Supplier Advances Written off	-	-
Liabilities / provisions no longer required written back	-	-
Bad debts written off	-	-
Profit or loss on sale of Fixed asset	-	-
Other Non cash Expenses	-	-
<b>Operating profit before working capital changes</b>	<b>(105,23,086)</b>	<b>(42,62,564)</b>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Other Current assets	(18,85,728)	2,10,030
Inventories	6,08,617	(7,41,120)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	2,58,940	(3,68,092)
Provision (CL)	40,58,984	2,10,097
Borrowing (CL)	85,08,725	45,88,424
Other current liabilities	(10,24,148)	13,41,252
<b>Cash generated from operations</b>	<b>2,305</b>	<b>9,78,027</b>
Net income tax paid	-	-
<b>Net cash flow from operating activities (A)</b>	<b>2,305</b>	<b>9,78,027</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(14,662)	
Other Non current assets	(1,08,349)	(18,392)
Investments in subsidiary	-	(9,50,150)
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(1,23,012)</b>	<b>(9,68,542)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Borrowing	-	
<b>Net cash flow (used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(1,20,707)</b>	<b>9,485</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,51,228</b>	<b>1,41,743</b>
Effect of exchange differences on translation of foreign currency Cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>30,521</b>	<b>1,51,228</b>

As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**

**Chartered Accountants**

**FRN:010114S**

Sd/-

**(MANISHA DUBEY)**

**Proprietor**

**MRN:212664**

UDIN:23212664BGZHJT6056

Place: Hyderabad

Date:30-05-2023

For and on behalf of the Board of Directors

**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

**Dr.K K Koteswara Rao**

Chairman & Managing Director

DIN:02287235

Sd/-

**Sujana Kadium**

Director

DIN:07167872

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**3. Property, plant and equipment and capital work -in-progress**

Description of Assets	Freehold land	Buildings	Buildings temporary	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
<b>I. Cost or deemed cost</b>										
<b>Balance as at April 1, 2022</b>	6,55,796	340,19,720	68,163	18,75,513	778,87,025	185,76,575	9,22,627	105,33,529	6,35,801	1451,74,749
Additions				14,661						14,661
Disposals										-
Additions through business combination										-
Foreign currency translation adjustments										-
<b>Balance as at March 31, 2023</b>	<b>6,55,796</b>	<b>340,19,720</b>	<b>68,163</b>	<b>18,90,174</b>	<b>778,87,025</b>	<b>185,76,575</b>	<b>9,22,627</b>	<b>105,33,529</b>	<b>6,35,801</b>	<b>1451,89,410</b>
<b>II. Accumulated depreciation</b>										
<b>Balance as at 1 April, 2022</b>	-	225,12,909	68,163	17,85,300	725,08,950	179,85,982	8,48,013	103,90,417	6,07,468	1267,07,201
Depreciation expense for the year		2,38,396		3,614	6,53,780			20,436		9,16,226
Acquisitions through business combinations										-
Eliminated on disposal of assets									-	-
Foreign currency translation adjustments										-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>227,51,305</b>	<b>68,163</b>	<b>17,88,914</b>	<b>731,62,730</b>	<b>179,85,982</b>	<b>8,48,013</b>	<b>104,10,853</b>	<b>6,07,468</b>	<b>1276,23,427</b>

Carrying Amount	Freehold land	Buildings	Buildings temporary	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
<b>III. Carrying Amount</b>										
<b>Balance as at March 31, 2022</b>	6,55,796	115,06,811	-	90,213	53,78,075	5,90,593	74,614	1,43,112	28,333	184,67,547
<b>Balance as at March 31, 2023</b>	<b>6,55,796</b>	<b>112,68,415</b>	<b>-</b>	<b>1,01,260</b>	<b>47,24,295</b>	<b>5,90,593</b>	<b>74,614</b>	<b>1,22,676</b>	<b>28,333</b>	<b>175,65,982</b>

**TRANSGENE BIOTEK LIMITED**

**Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325**

**Notes forming part of the financial statements**

**4 Intangible assets**

Description of Assets	Intellectual Property Rights	Technology	Total Intangible Asstes	Intagible Under Development
<b>I. Cost or deemed cost</b>				
<b>Balance as at April 1, 2022</b>	7,56,803	9301,18,554	9308,75,357	186,76,633
Additions	-	-	-	
Disposals	-	-	-	
Additions through business combination	-	-	-	
Foreign currency translation adjustments	-	-	-	
<b>Balance as at March 31, 2023</b>	<b>7,56,803</b>	<b>9301,18,554</b>	<b>9308,75,357</b>	<b>186,76,633</b>
<b>II. Accumulated depreciation</b>				
<b>Balance as at 1 April, 2022</b>	<b>2,72,270</b>	<b>8350,99,905</b>	<b>8353,72,175</b>	-
Depreciation expense for the year	71,896	485,12,720	<b>485,84,616</b>	
Acquisitions through business combinations			-	
Eliminated on disposal of assets			-	
Foreign currency translation adjustments			-	
<b>Balance as at March 31, 2023</b>	<b>3,44,166</b>	<b>8836,12,625</b>	<b>8839,56,792</b>	-

Carrying Amount	Intellectual Property Rights	Technology	Total Intangible Asstes	Intagible Under Development
<b>III. Carrying Amount</b>				
<b>Balance as at March 31, 2022</b>	4,84,533	950,18,649	955,03,182	186,76,633
<b>Balance as at March 31, 2023</b>	4,12,637	465,05,929	469,18,565	186,76,633

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**5A. Investments**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>A. Non-current investments</b>		
<b>Investment carried at cost</b>		
(i) Equity instruments of Subsidiaries (unquoted) (Note 1)	9220,09,728	9220,09,728
(ii) Equity Investment in Wholly owned subsidiary (Note 2)	99,990	99,990
(ii) Equity Investment in a Company (Note 3)	9,50,150	9,50,150
<b>Provision for Impairment</b>	(9220,09,728)	(9220,09,728)
<b>Total</b>	<b>10,50,140</b>	<b>10,50,140</b>

**Note 1:** As per IND AS 110 Consolidated financial statements Subsidiary should either be measured at Cost or FVTPL (Fair Value Through Profit and Loss) Fair value of Investment in transgene HK as on 31st March 2020 is valued at zero as there were no transactions since three years.

There are no activities undertaken at the subsidiary since the year 2015-16.

The focus has not been lost regarding the irregularities committed through the account at Standard Chartered Bank, Singapore with efforts continuing for the recovery of funds transferred illegally from its account.

**Note:2** Transgene Biotek Ltd has invested 99.99% equity share capital in M/s Peroral Bio Private Limited and it become the wholly owned subsidiary of Transgene from 23/12/2020.

Note 3: Transgene Biotek Ltd has invested 15% equity share capital in M/s Niedlfree Technologies Private limited from October 2022. Consolidation of financial statements does not include this company as it does not meet the criteria.

**5B. Loans**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Non - Current</b>		
Loans to Others	-	-
Advances to Others	2302,04,250	2302,04,250
<b>Total Non current Loans</b>	<b>2302,04,250</b>	<b>2302,04,250</b>

Note : Includes payment made to M/s. Symetric Sciences Inc utilized out of GDR proceeds. Also Refer Schedule 13A, where 100% provision is made against such advances paid to the party on account of Non - Recoverability.

**6. Other Non current and current assets**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>6A. Non-current</b>		
Balance with government authority	15,05,437	13,97,088
<b>Total non-current assets</b>	<b>15,05,437</b>	<b>13,97,088</b>
<b>6B. Current:</b>		
Balance with government authority	-	1,800
Other advances		
- Unsecured, considered good	84,88,786	58,01,258
Less: Allowance for bad and doubtful loans	-	-
<b>Total current assets</b>	<b>84,88,786</b>	<b>58,03,058</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**7. Inventories**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Current assets</b>		
Inventories (lower of cost and net realisable value)		
- Raw materials	3,37,603	9,46,220
<b>Total</b>	<b>3,37,603</b>	<b>9,46,220</b>

**8. Cash and Cash Equivalents**

Particulars	As at	
	March 31, 2023	March 31, 2022
Balances with Banks in Current Accounts	699	94,378
Cash on hand	29,824	56,849
<b>Total</b>	<b>30,523</b>	<b>1,51,227</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**9. Equity share capital**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Authorised share capital:</b>		
7,60,00,000 fully paid up equity shares of Rs. 10 each	7600,00,000	7600,00,000
<b>Issued and subscribed capital:</b>		
7,57,70,000 fully paid up equity shares of Rs. 10 each	7577,00,000	7577,00,000
<b>Total</b>	<b>7577,00,000</b>	<b>7577,00,000</b>

**(A) Reconciliation of the number of shares outstanding:**

Particulars	Number of shares	Amount
<b>Balance at March 31, 2022</b>	<b>757,70,000</b>	<b>7577,00,000</b>
Additions/(Deletions)	-	-
<b>Balance at March 31, 2023</b>	<b>757,70,000</b>	<b>7577,00,000</b>

**(B) Details of shares held by each shareholder holding more than 5% shares**

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Dr. K. Koteswara Rao	164,27,902	22%	164,27,902	22%
Polavarapu Vikram	87,32,171	12%	87,32,171	12%
The Bank of New York Mellon, DR	62,70,000	8%	62,70,000	8%

**(C) Rights, preferences and restrictions attached to equity shares :**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Each holder of one equity share is entitled to one vote per share.

In the event of the liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exists currently.

The amount distributed will be in proportion to the number of equity shares held by the shareholders.

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**10. Other equity**

Particulars	As at	
	March 31, 2023	March 31, 2022
Retained earnings	(22925,70,294)	(22324,86,609)
Securities premium account	13880,92,501	13880,92,501
Capital Reserve	724,73,902	724,73,902
Warrants Forfeiture Reserve	122,50,000	122,50,000
<b>Balance at end of year</b>	<b>(8197,53,891)</b>	<b>(7596,70,205)</b>

**11. Non-current borrowings**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured - at amortised cost</b>		
Term loans		
from other parties (Refer Note(i) below)	15,00,000	15,00,000
<b>Secured - at amortised cost</b>		
Term loans		
from other parties (Refer Note(ii) below)	480,03,606	461,89,968
<b>Total non-current borrowings</b>	<b>495,03,606</b>	<b>476,89,968</b>

**Notes:**

i) Unsecured loans from others includes corporates

(ii) Term loan from other parties includes Department of Bio Technology (DBT), Ministry of Science and Technology are secured by the whole of movable and immovable properties acquired from the loan sanctioned by the DBT under SBIRI scheme.

**12. Provisions**

Particulars	As at	
	March 31, 2023	March 31, 2022
12A Non - Current (Refer Note (ii) Below)	2302,04,250	2302,04,250
12B Current (Refer Note (i) Below)	182,06,660	141,47,676
<b>Total</b>	<b>2484,10,910</b>	<b>2443,51,926</b>

**Notes:**

(i) Current Provisions include:

- Rs.54,33,826 of Statutory provisions payable for Employee Benefits
- Rs. 87,32,150 on account of IT Demands raised by IT Dept. with respect to AY 2010-11,11-12,13-14,19-20
- Rs.37,70,464 is provision for penalty for GDR case
- Rs,2,70,220 is Provision for BSE fines

(ii) Non Current Provisions include 100% provision made against payment made to M/s. Symetric Sciences Inc utilized out of GDR proceeds which is also disclosed as Advances to others under Loans in Note No. 5.

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**13. Other liabilities**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>13A Non - Current</b>		
Government grant	35,07,763	52,61,643
<b>Total</b>	<b>35,07,763</b>	<b>52,61,643</b>
<b>13B Current</b>		
Advance from customers	9,50,150	16,00,150
Statutory remittances	4,65,303	3,96,838
Others	12,652	3,75,266
<b>Total</b>	<b>14,28,105</b>	<b>23,72,254</b>

**14. Current borrowings**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured - at amortised cost</b>		
Loans from related parties	765,74,725	680,66,000
Loans from Others	51,20,000	44,00,000
<b>Total</b>	<b>816,94,725</b>	<b>724,66,000</b>

**15. Trade Payables**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Trade Payables - Current</b>		
Dues to creditors other than micro enterprises and small enterprises	22,86,700	20,27,760
<b>Total</b>	<b>22,86,700</b>	<b>20,27,760</b>

**Note :**

Under Ind AS, certain financial assets and financial liabilities are measured at amortised cost which involves the application of effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability. The interest unwinding is charged through profit and loss in subsequent period.

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**16. Revenue from operations**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Sale of services	5,50,847	8,66,949
Other operating revenue	-	-
<b>Total</b>	<b>5,50,847</b>	<b>8,66,949</b>

**17. Other income (net)**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Other non-operating income</b>		
Amortisation of government grant	17,53,880	17,53,880
Liabilities & Provisions no longer required, written back	-	3,71,444
Miscellaneous income ( net)	-	-
	<b>17,53,880</b>	<b>21,25,324</b>
<b>Other gains and losses</b>		
Gain on disposal of property, plant and equipment	-	-
	-	-
<b>Total</b>	<b>17,53,880</b>	<b>21,25,324</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**18. Cost of materials consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	9,46,220	2,05,100
Add: Purchases	54,546	2,78,988
Less: Closing stock	3,37,603	9,46,220
	<b>6,63,163</b>	<b>(4,62,132)</b>

**19. Employee Benefits Expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages, including bonus	28,56,090	26,90,297
Contribution to provident and other funds	1,81,518	1,88,545
Staff welfare expenses	-	-
Actuarial Gain or loss	-	-
<b>Total</b>	<b>30,37,608</b>	<b>28,78,842</b>

**20. Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest expense</b>		
- Interest on bank overdrafts and loans	-	-
- Other interest expense	18,13,638	22,67,800
<b>Total</b>	<b>18,13,638</b>	<b>22,67,800</b>

**21. Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	9,16,226	18,27,405
Amortisation of intangible assets	485,84,616	974,16,155
<b>Total</b>	<b>495,00,842</b>	<b>992,43,560</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**22. Other operating expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Audit fee	1,50,000	1,50,000
Bank charges	23	60
Directors sitting fees	60,000	75,000
Packing Freight Outwards, Customs etc	-	1,500
Insurance	30,341	77,099
Interests & Penalties	44,21,813	23,166
Legal & professional charges	9,79,489	8,59,685
Listing Expenses	4,60,620	4,50,000
Marketing and advertising expenses	9,000	8,000
Miscellaneous expenses	19,999	24,701
Office Expenses	2,05,370	51,730
Patents application filing fees	4,47,706	2,10,490
Pollution Control charges	-	1,52,215
Postage & Courier	19,720	5,826
Power and fuel	93,569	1,39,029
Printing and stationery	13,840	250
Rates and taxes	2,02,182	2,74,734
Repairs to others	94,353	10,500
Internet Charges	15,996	8,881
Business Promotion Expenses	18,303	41,759
E Voting Charges	41,344	72,237
Telephone Expenses	7,997	24,545
Travelling and conveyance	56,996	28,800
Municipal Taxes	-	3,67,029
Testing charges	1,720	-
Transport charges	6,000	-
Website Expenses	16,780	27,012
<b>TOTAL</b>	<b>73,73,161</b>	<b>30,84,248</b>

## **Notes to the Standalone Financial Statements for the Year ended 31st March, 2023.**

### **1. Corporate information:**

M/s. TransgeneBiotek Limited is a Public Limited Company ("The Company"). The Company is located in 69 & 70, Anrich Industrial Area, Bollaram, Sangareddy District, India and was incorporated on 1st March 1990 under the provisions of the Companies Act, 2013. The Company is in the business of Research & Development.

### **2. Significant accounting policies**

#### **2.1. Statement of Compliance**

These financial statements are separate financial statements of the Company (also called standalone financial statements). The Company has prepared financial statements for the year ended March 31, 2023 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2023.

#### **2.2. Basis of preparation:**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- i. Certain Non-Current & Current financial liabilities measured at amortized cost,

The Company's Financial Statements are presented in Indian Rupees (Rs.), which is also its functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

**a. Current V/s. non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

**b. Foreign currencies**

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

**c. Segment Reporting**

The Company is currently operating only in one segment of Bulk Drugs, Segment Wise Reporting is not applicable as per IND AS 108.

#### **d. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

##### **i) Rendering of services**

Revenue for the company is in the form of Research and Development services to external agencies which is recognised on formal acceptance by the agency which is in consistent with the abovementioned principle of revenue recognition.

#### **e. Government grants**

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### **f. Property, plant and equipment**

Under the previous GAAP (Indian GAAP), Freehold land and buildings (property), other than investment property, were carried in the balance sheet on the basis of carrying value as per previous GAAP as on date of balance sheet. The Company has elected to regard those values of property as deemed cost.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Building 60 years
- Temporary Building 3 years
- Computers 3 years
- Plant and equipment 15 years

- Electrical Equipments 10 years
- Furniture 8 years
- Office Equipment 5 years
- Vehicles 8 years
- Lab equipment 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **g. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite i.e., for a period of 10 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

#### **h. Research and Development Expenditure**

Research and Development Expenditure Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

#### **i. Finance costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur.

#### **j. Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

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

#### **k. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes Cash on hand and other Balances with Banks in Current Accounts that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

#### **l. Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

#### **m. Tax Expenses**

In view of the current year loss and the losses accumulated in the previous years no liability on income tax is expected. As there is no certainty in utilizing the deferred tax asset, hence, the deferred tax asset has not been recognized in the books of accounts.

#### **n. Employee benefits**

##### **i. Short-term employee benefit obligations**

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## ii. **Post-employment benefits**

### Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

### Defined benefit plan

The Company does not operate a defined benefit gratuity plan and Leave Encashment in India for which no provision has been booked for the year ended 31st March, 2023.

### Actuarial Valuation of Gratuity:

As on date of balance sheet no actuarial valuation is carried out by the management and no disclosures to that effect on Employee benefits is made in the Financial Statements and no provisioning for retirement / terminal benefits done by the company.

## o. **Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## p. **Earnings per share**

### i. **Basic earnings per share**

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of Equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### ii. **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## q. Provisions

### General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The company has made 100% provision for the investment made in the Transgene BiotekHK Limited (Subsidiary) for Rs. 92,20,09,728/- based on the documents provided to the company.

However, it came to be revealed, as per the statement by the management that entire GDR fund of USD 40.5 mil except for USD 0.6 mil received by the company was fraudulently siphoned out of its account at Investec Bank to entities such as M/s. Symetric Sciences Inc etc. The management stated that it is pursuing the matter of recovering the entire amount of USD 39.9 mil lost from its account at Investec Bank taking help from different sources including an appeal to the Enforcement Directorate.

## r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the financial asset.

#### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? And either
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### Financial liabilities

#### 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, 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.

### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:  
Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

### **De-recognition**

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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## 27. Contingent Liabilities:

- a. Contingent liabilities are not provided for in respect of

Particulars	2022-23	2021-22
(i) Customs duty demands disputed by the company	59,37,000	59,37,000
(ii) Claims against the company not acknowledged as debts	40,00,000	40,00,000

- a. Reference is made about the long standing case at CESTAT, Chennai and the Honourable Member Ms.Sulekha Beevi C.S passed an order on 25th May 2017 stating that "the matter is stayed by the Hon'ble High Court of Madras. Both sides have not been able to submit when the matters are likely to be disposed by the Hon'ble High Court. Viewed in this light, we are of the considered opinion that it would be appropriate and prudent to close the file for the purpose of statistics. Both sides are at liberty to file application before the Tribunal to reopen the matter as and when the case is disposed by the Hon'ble High Court or in the case of change of circumstances." In view of the above order, no provision has been made in the current balance sheet but the management shall keep a cautious eye on the potential developments, if any and will act as per the requirements.
- b. During the year 2016-17 the Company had received notice u/s 263 from the Principal Commissioner of the Income Tax for the Assessment year 2012-13 for which the company has filed its arguments. The appeal filed against the Income tax demand for FY 2011-12 (AY 2012-13) has been accepted and demand has been nullified by the department with order dated 24/08/2021. The provision has been created through Retained earnings in previous years hence reversed it through the same. However, the income tax department has filed appeal to high court against this order. Hence the demand amount of Rs.5.96 Crores is treated as contingent liability.
- c. The Department of Biotechnology has sanctioned a loan amount of Rs.4.07 Crores under Small Business Innovative Research Initiative (SBIRI) scheme currently called as BIRAC for the novel technology Upgradation for Orlistat production, for which a charge against movable and immovable assets acquired from utilization of the said loan amount has been created. An amount of Rs.30,06,135/- is demanded by SIBRI towards interest for which a provision has been made. However, the company has made a settlement offer to BIRAC. On a condition that such offer upon acceptance a offer of Rs. 20 Lakhs made, which was encashed during the financial year. However company is yet to receive any written acceptance towards their proposal.

## 28. Expenditure in Foreign Currency:

Foreign Exchange:	2022-23	2021-22
Foreign Exchange Inflow	Nil	Nil
Foreign Exchange Outflow	Nil	Nil

## 29. Auditor's Remuneration

Particulars	2022-23	2021-22
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As Statutory Auditors	1,50,000	1,50,000
For Taxation Matters	-	-
Total	1,50,000	1,50,000

### 30. Related Party Disclosures

#### Related Parties:

##### a) Key Managerial Personnel:

Dr. K. KoteswaraRao: Managing Director

##### b) Relatives to Key Managerial Personnel:

K. LaxmidharRao: Son of Managing director

K.NirmalaRao: Wife of Managing director

K. SrinivasaRao: Son of Managing Director

##### c) Subsidiaries

Transgene Biotek HK Limited: Wholly Owned Subsidiary

Peroral Bio Private Limited: Wholly owned Subsidiary

The following are the transactions made with Key Managerial personnel and related parties:

#### K. Koteswara Rao:

Amount in Rs

Nature of Transaction	2022-23	2021-22
Advances received by the company	87,42,164.64	45,12,405.28
Amounts spent on behalf of the company		
Amount repaid by the company	2,31,140.00	0.00
	<b>85,11,024.64</b>	<b>45,12,405.28</b>

### 31. Remuneration to Directors for the year ended 31.03.2023

Amount in Rs

Particulars	2022-23	2021-22
Salaries and Other Allowances		
Contribution to Provident fund		
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### 32. Segment Reporting:

As the company has no segments and concentrating on Research & Development. Thus Reporting under segment is not applicable.

### 33. Earnings per Share (EPS):

Particulars	2022-23	2021-22
a) Profit/(Loss) attributable to equity shareholders	(6,00,83,686)	(10,40,20,045)
b) Weighted average number of equity shares at the end of the year	7,57,70,000	7,57,70,000
-Basic	7,57,70,000	7,57,70,000
-Diluted		
c) Earnings per Equity Share of Rs.10/- each		
-Basic	(0.79)	(1.37)

-Diluted	(0.79)	(1.37)
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### 34. Standards issued and effective from 01<sup>st</sup> April,2018

#### IND AS 115, Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from Contracts with Customers', which effective for accounting is periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements Ind AS 115 is effective for annual reporting periods beginning on or after April 1, 2018. The Company intends to adopt Ind AS 115 effective April 1, 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Company's recognition of revenues.

### 35. Other Amendments to Indian Accounting Standards:

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in foreign currency and recognition of non-monetary prepayment asset or deferred income liability.

Ind AS 12, Income Taxes - The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a venture capital, mutual fund, unit trust or similar entities elect to initially recognize the investments in associates and joint ventures.

Ind AS 112, Disclosure of Interests in Other Entities - The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as Held for sale or discontinued operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from investment property. The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company

### 36. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

The areas involving critical estimates or judgements are:

- Estimated useful life of intangible asset.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

### 37. Financial Instruments

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (Unobservable inputs).

A. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2023:

Description of Assets	As at 31 March 2023	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-		-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,80,03,606		4,80,03,606	

B. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2022:

Description of Assets	As at 31 March 2022	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-		-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,61,89,968		4,61,89,968	

38. In the opinion of the Board of Directors of the company the value on realization of Current Assets in the ordinary course of business will not be less than the amount at which they have been stated in the Balance Sheet as on 31<sup>st</sup> March, 2023.

39. Balances of Creditors, Debtors & Advances as on 31st March 2023 are subject to confirmation from the parties concerned.

40. Previous year figures have been regrouped and rearranged wherever necessary.

41. The figures have been rounded off to the nearest Rupee.



## **INDEPENDENT AUDITOR'S REPORT**

TO  
THE MEMBERS,  
**TRANSGENE BIOTEK LIMITED**

### **Report on the Audit of Consolidated Financial Statements**

#### **Opinion**

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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, as amended Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2023 the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, 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 consolidated financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

The Key Audit Matters	How our Audit addressed the key audit matter
<b>SEBI ENQUIRY &amp; ITS STATUS</b>	
<p>Securities and Exchange Board of India (SEBI) had conducted preliminary inquiry on receiving certain complaints on the matter of GDRs issued by the Company and its utilization thereof, basically on the angle of protection of Investors' interest. SEBI prima facie conducted that the GDR proceeds have been transferred by the Company, directly or indirectly, through foreign subsidiary for undisclosed purposes under the garb of consideration for technology transfer and consequently passed an interim order inter alia, restraining the Company from issuing any securities. The Company has appealed against the said order.</p> <p>The findings of the SEBI as per their order on the utilization/transfer of GDR proceeds for undisclosed purposes point out towards violations of the provisions of the provisions of the Foreign Exchange Management Act as well as GDR approval conditions, the impact of which we are unable to quantify at this stage.</p> <p>The Adjudication officer in exercise of the powers conferred upon him under section 15I of the SEBI Act r/w rule 5 of the SEBI Adjudication Rules and 23I of the SCRA r/w rule 5 of the SCR Adjudication Rules, SEBI passed an Adjudication order on 27.06.2022 imposing monetary penalty on the Noticees for their violation of the provisions of law. Penalty of Rs.38.00 Lakhs has been imposed on company.</p>	<p><b>Principal Audit procedures performed:</b></p> <ul style="list-style-type: none"> <li>➤ The documents made available to us, the management is seriously pursuing to recover GDR money. In this process they have appointed Lawyers internationally wherever the alleged parties involved in GDR scam are present. The case is forwarding in good speed.</li> <li>➤ Further on August 28<sup>th</sup> 2019 SEBI has issued its final order against Ref No WTM/AB/EFD-1/DRA-4/18/2019-20 confirming its ban on the company to access Securities Market in what so ever manner. Also it directed the company to recover GDR proceeds through its ongoing various measures within one year from the date of its order.</li> <li>➤ A Representation was given by Dr K Koteswar Rao to SEBI on 22nd Aug 2020 requesting therein extension of time period to bring back the money, as directed in para 49(a) of the order, because the recovery of GDR funds have been completely blocked due to global lockdown as a result of global COVID-19 pandemic.</li> <li>➤ SEBI considered the same representation and issued a revised order Further on August 31<sup>st</sup> 2020 revised order no WTM/AB/EFD-1/DRA-4/08/2020-21 dated 31st Aug 2020 directing the company to recover GDR proceeds through its ongoing various measures within one year from the date of its order.</li> <li>➤ The Board has been informed that the required amount of UKP 20,000 is yet to be transferred to Candey, law firm at London due to paucity of funds. Once the amount is transferred to Candey and through Candey to SW at Zurich, another letter from a peer reviewed Chartered Accountant shall be sent to SEBI explaining ongoing efforts taken by Transgene and Dr Rao for recovering lost GDR funds.</li> <li>➤ Notices to appear on May 10, 2023 through video in front of the Adjudication officer have been received by the company and its past directors connected with the GDR issue.</li> </ul>

	<p>Response letter has been sent, a copy of which is presented to the Board to keep it on record. Outcome from the adjudication proceedings shall be brought to the attention of the Board as and when it progresses.</p> <ul style="list-style-type: none"> <li>➤ In the meantime, our petition to set aside SEBI Adjudication proceedings is still pending at the Hon'ble High Court of Telangana.</li> <li>➤ All the compliances and instructions given by SEBI are being complied with like submission of certificates by PEER REVEIWED CA etc as and when asked for by the company.</li> <li>➤ As per the appeal filed with SAT, company felt it unjust penalizing without consideration to the facts of the whole issue more specifically on the matter of passing an unfair and unjust order without taking into consideration and in defiance to the earlier passed SAT order dated August 27, 2017 Company filed an appeal at SAT once again which is currently pending for hearing on June 17, 2023.</li> </ul>
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**GDR Issue:**

<p>There is an outstanding balance of Rs.2,302.00 lakhs which pertains to advance given to a party out of the proceeds of GDR. The contention of the management is that the payments were made without Company's authorization or knowledge, the same was submitted to SEBI during their investigations.</p> <p>The Management has been stating all through that the entire GDR fund of USD 40.5 mil except for USD 0.6 mil received by the company into its account at Union Bank was siphoned out of its account at Investec Bank. The amount shown in the account as an 'Outstanding Balance' is misleading and factually incorrect as per the documents made available through FINMA and all other sources.</p> <p>The Management is however trying to recover the lost GDR funds based on the factual documented evidences</p> <p>However, the Management as a prudent measure, made full provision for the amount, in the Books of Account considering the facts.</p>	<ul style="list-style-type: none"> <li>➤ The company has been trying to recover this amount along with GDR proceeds from various parties as discussed above.</li> <li>➤ In our Audit procedure, we have verified the documents as relating the case and its advancement and assessed management's claim on the same.</li> <li>➤ However we are unable to opine whether this amount is recoverable or not as we are unable to obtain confirmation from the concerned party.</li> </ul>
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<b>INVESTMENTS:</b>	
<p>Under the head Investment, an amount of Rs. 9,220.10 Lakhs is made in Wholly owned subsidiary company viz. Transgene Biotek HK Limited.</p> <p>The Management has been stating all through that the entire GDR fund of USD 40.5 mil except for USD 0.6 mil received by the company into its account at Union Bank was siphoned out of its account at Investec Bank. The amount shown in the account as an 'Outstanding Balance' is misleading and factually incorrect as per the documents made available through FINMA and all other sources.</p> <p>The Management is however trying to recover the lost GDR funds based on the factual documented evidences</p> <p>As informed by management the subsidiary is not in operations, the books of accounts have not been audited since many years along with FY 2022-23.</p> <p>As this amount may not be recoverable, as a prudent measure, management made full provision in the books of account considering the above development.</p> <p>The company is not recognizing foreign gain of loss as there are no transactions incurred since many years. The last available figures are of 2015-16 and the same are being carried forward since then.</p> <p>Under the head investments, an amount of Rs. 0.99 Lakhs is made in Wholly owned subsidiary company PerOral Bio Private Limited which was incorporated on 23.12.2020.</p>	<ul style="list-style-type: none"> <li>➤ In the absence of alternative methodologies to independently evaluate the same, we are unable to express an opinion whether the said sum as reflected under the above head is recoverable at the value at which it is stated.</li>   <li>➤ As we don't have any data of the foreign subsidiary the same figures of audited in 2015-16 are being consolidated in Financial statements.</li>   <li>➤ There are no much significant transactions incurred in this subsidiary company in the financial year ending.</li> </ul>

### **Information Other than the Consolidated 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained 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.

### **Management's responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the Consolidated Financial statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 ability of the Group 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

## Report on other legal and regulatory requirements

1. 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 of the aforesaid consolidated financial statements.

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

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, as amended in our opinion and to the best of our information and according to the explanations given to us :

i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

PLACE : HYDERABAD

DATE : 30-05-2023

UDIN: 23212664BGZHJT6056

For MANISHA DUBEY & ASSOCIATES

Chartered Accountants

Firm Registration No. 010114S

Sd/-

Manisha Dubey

Proprietor

MRN: 212664

## **Annexure “A” to the Independent Auditor’s Report**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting M/s TRANSGENE BIOTEK LIMITED (hereinafter referred to as “Company”) and its subsidiary companies as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies 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.

PLACE : HYDERABAD

DATE : 30-05-2023

For MANISHA DUBEY & ASSOCIATES

Chartered Accountants

Firm Registration No. 010114S

Sd/-

Manisha Dubey

Proprietor

UDIN: 23212664BGZHJT6056

MRN: 212664

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

**Consolidated Audited Balance sheet as at 31-03-2023**

Amount in Rs.

PARTICULARS	Note No	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	3	175,65,982	184,67,547
(b) Right of Use Assets		-	-
(c) Capital work-in-progress		-	-
(d) Investment Properties		-	-
(e) Goodwill		-	-
(f) Other intangible assets	4	469,18,565	955,03,182
(g) Intangible assets under development	4	186,76,633	186,76,633
(h) Biological Assets Other Than Bearer Plants		-	-
(i) Financial assets			
(i) Investments	5A	9,50,150	9,50,150
(ii) Trade Receivables		-	-
(iii) Loans	5B	13290,24,004	13290,24,004
(iv) Other Financial Assets		-	-
(j) Deferred Tax Assets (Net)		-	-
(k) Other non-current assets	6A	15,05,437	13,97,088
<b>SUB-TOTAL</b>		<b>14146,40,771</b>	<b>14640,18,604</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	7	3,37,603	9,46,220
(b) Financial assets			
(i) Investments			
(ii) Trade Receivables	8A	84,460	84,460
(iii) Cash and cash equivalents	8B	699	94,378
(iv) Bank Balances other than (iii) above	8B	29,824	56,849
(v) Loans		-	-
(vi) Other Financial Assets		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	6B	84,88,786	58,03,058
<b>SUB-TOTAL</b>		<b>89,41,372</b>	<b>69,84,965</b>
Non-Current Assets Classified as Held for Sale		-	-
<b>TOTAL ASSETS</b>		<b>14235,82,143</b>	<b>14710,03,569</b>

EQUITY AND LIABILITIES	Note No	As at 31 March 2023	As at 31 March 2022
<b>EQUITY</b>			
Equity share capital	9	7577,00,010	7577,00,010
Other equity	10	(6440,11,998)	(5839,26,012)
<b>SUB-TOTAL</b>		<b>1136,88,012</b>	<b>1737,73,998</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	11	495,03,606	476,89,968
(ii) Trade Payable		-	-
(iii) Other financial liabilities		-	-

(b) Provisions	12A	11522,13,978	11522,13,978
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities	13A	35,07,763	52,61,643
<b>SUB-TOTAL</b>		<b>12052,25,347</b>	<b>12051,65,589</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial liabilities			
(i) Borrowings	14	816,21,006	723,89,981
(ii) Trade payables	15	22,86,700	20,27,760
(iii) Other financial liabilities	15A	11,26,311	11,26,311
(b) Provisions	12B	182,06,660	141,47,676
(c) Other current liabilities	13B	14,28,106	23,72,254
(d) Current tax liabilities (net)		-	-
<b>SUB-TOTAL</b>		<b>1046,68,783</b>	<b>920,63,982</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14235,82,143</b>	<b>14710,03,569</b>
<b>Corporate information and significant accounting policies</b>	1 & 2		
The accompanying notes form an integral part of the Consolidated financial statements			

The Accompanying notes are an integral part of Financial statements.

As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**

**Chartered Accountants**

**FRN:010114S**

Sd/-

**(MANISHA DUBEY)**

**Proprietor**

**MRN:212664**

**UDIN:23212664BGZHJV9677**

Place: Hyderabad

Date: 30-05-2023

For and on behalf of the Board of Directors

**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

**Dr.K Koteswara Rao**

Chairman & Managing Director

DIN:02287235

Sd/-

**Sujana Kadium**

Director

DIN:07167872

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

**Consolidated Statement of Profit and Loss for the year ended 31-03-2023**

Amount in Rs.

Particulars	Notes	For the Year ended 31 March 2023	For the Year ended 31 March 2022
<b>Continuing Operations</b>			
I Revenue from operations	16	5,50,847	8,66,949
II Other income	17	17,53,880	21,25,324
<b>III Total Revenue (I + II)</b>		<b>23,04,727</b>	<b>29,92,273</b>
<b>IV EXPENSES</b>			
(a) Cost of materials consumed	18	6,63,163	(4,62,132)
(b) Purchases of Stock-in-trade		-	-
(c) Changes in stock of finished goods, WIP and stock-in-trade		-	-
(d) Employee benefits expense	19	30,37,608	28,78,842
(e) Finance costs	20	18,13,638	22,67,800
(f) Depreciation and amortisation expense	21	495,00,842	992,43,560
(g) Impairment expenses/losses		-	-
(h) Other expenses	22	73,75,461	30,84,248
<b>Total expenses</b>		<b>623,90,713</b>	<b>1070,12,318</b>
<b>V Profit/(loss) before exceptional items and tax (III - IV)</b>		<b>(600,85,986)</b>	<b>(1040,20,045)</b>
<b>VI Exceptional Items</b>		-	-
<b>VII Profit/(loss) before tax (V - VI)</b>		<b>(600,85,986)</b>	<b>(1040,20,045)</b>
<b>VIII Tax Expense</b>			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total tax expense</b>		-	-
<b>IX Profit/(loss) after tax from continuing operations (VII-VIII )</b>		<b>(600,85,986)</b>	<b>(1040,20,045)</b>
<b>X Other comprehensive income</b>			
A Items that will not be recycled to profit or loss		-	-
B Items that may be reclassified to profit or Loss		-	-
<b>XII Total other comprehensive income</b>		-	-
<b>Total comprehensive income for the period (IX +XII)</b>		<b>(600,85,986)</b>	<b>(1040,20,045)</b>
<b>Earnings per equity share</b>			
Basic (in Rs.)		(0.79)	(1.37)
Diluted (in Rs.)		(0.79)	(1.37)

The Accompanying notes are an integral part of Financial statements.

As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**

Chartered Accountants

FRN:010114S

For and on behalf of the Board of Directors

**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

(MANISHA DUBEY)

Proprietor

MRN:212664

UDIN:23212664BGZHJV9677

Place: Hyderabad

Date: 30-05-2023

Sd/-

**Dr.K K Koteswara Rao**

Chairman & Managing Director

DIN:02287235

Sd/-

**Sujana Kadium**

Director

DIN:07167872

**TRANSGENE BIOTEK LIMITED****Consolidated Statement of changes in equity for the year ended 31 March 2023****A. Equity Share capital**

Amount in Rs.

Particulars	Number of Shares	Amount
<b>As at 1 April 2021</b>	757,70,000	7577,00,000
Changes in equity share capital during the year	-	-
<b>As at 31 March 2022</b>	757,70,000	7577,00,000
Changes in equity share capital during the year	-	-
<b>As at 31 March 2023</b>	757,70,000	7577,00,000

B. Other Equity	Reserves and Surplus					Items of OCI	Total
	Particulars	Securities premium reserve	Warrants Forfeiture reserves	Capital Redemption Reserve	Exchange translation reserve	Retained earnings	
<b>As at 31 March 2022</b>	13880,92,501	122,50,000	724,73,902	1757,68,175	(22325,10,590)	-	(5839,26,012)
Profit for the year	-	-	-	-	(600,85,986)	-	(600,85,986)
Provisions W/o adjusted (See Note)	-	-	-	-	-	-	-
<b>As at 31 March 2023</b>	<b>13880,92,501</b>	<b>122,50,000</b>	<b>724,73,902</b>	<b>1757,68,175</b>	<b>(22925,96,576)</b>	-	<b>(6440,11,998)</b>

Notes : In earlier years, exchange translation reserve balance has been clubbed and shown in retained earnings. Now it is corrected and shown seperatley hereon. Current year balance in this reserve is relating to exchange rate difference relating to Hongkong subsidiary of TBL.

The Accompanying notes are an integral part of Financial statements.

As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**

**Chartered Accountants**

**FRN:010114S**

Sd/-

**(MANISHA DUBEY)**

**Proprietor**

**MRN:212664**

**UDIN:23212664BGZHV9677**

Place: Hyderabad

Date: 30-05-2023

Sd/-

**Dr.K K Koteswara Rao**

Chairman & Managing Director

DIN:02287235

For and on behalf of the Board of Directors

**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

**Sujana Kadium**

Director

DIN:07167872

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

**Consolidated Statement of Cash Flows for the year ended 31-03-2023**

Particulars	Year ended 31/03/2023	Year ended 31/03/2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(600,85,986)	(1040,20,044)
<i>Adjustments for :</i>		
Depreciation and amortisation expense	495,00,842	992,43,560
Finance costs	18,13,638	22,67,800
Amortisation of government grant	(17,53,880)	(17,53,880)
Supplier Advances Written off	-	-
Liabilities / provisions no longer required written back	-	-
Bad debts written off	-	-
Profit or loss on sale of Fixed asset	-	-
Other Non cash Expenses	-	-
<b>Operating profit before working capital changes</b>	<b>(105,25,386)</b>	<b>(42,62,564)</b>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Other Current assets	(18,85,728)	2,10,030
Inventories	6,08,617	(7,41,120)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	2,58,940	(3,68,092)
Provision (CL)	40,58,984	2,10,097
Borrowing (CL)	85,11,025	45,88,424
Other current liabilities	(10,24,148)	13,41,252
<b>Cash generated from operations</b>	<b>2,305</b>	<b>9,78,027</b>
Net income tax paid	-	-
<b>Net cash flow from operating activities (A)</b>	<b>2,305</b>	<b>9,78,027</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure on fixed assets, including capital advances	(14,662)	
Other Non current assets	(1,08,349)	(18,392)
Investments in subsidiary	-	(9,50,150)
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(1,23,012)</b>	<b>(9,68,542)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of Borrowing	-	
<b>Net cash flow (used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(1,20,707)</b>	<b>9,485</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,51,228</b>	<b>1,41,743</b>
Effect of exchange differences on translation of foreign currency Cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>30,522</b>	<b>1,51,228</b>

As per our report of even date

**For MANISHA DUBEY & ASSOCIATES**

**Chartered Accountants**

**FRN:010114S**

Sd/-

**(MANISHA DUBEY)**

**Proprietor**

**MRN:212664**

**UDIN:23212664BGZHV9677**

**Place: Hyderabad**

**Date:30-05-2023**

For and on behalf of the Board of Directors

**M/s TRANSGENE BIOTEK LIMITED**

Sd/-

**Dr.K K Koteswara Rao**

**Chairman & Managing Director**

**DIN:02287235**

Sd/-

**Sujana Kadium**

**Director**

**DIN:07167872**

**TRANSGENE BIOTEK LIMITED**

Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**3. Property, plant and equipment and capital work -in-progress**

Description of Assets	Freehold land	Buildings	Buildings temporary	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
<b>I. Cost or deemed cost</b>										
<b>Balance as at April 1, 2022</b>	6,55,796	340,19,720	68,163	18,75,513	778,87,025	185,76,575	9,22,627	105,33,529	6,35,801	1451,74,749
Additions				14,661						14,661
Disposals										-
Additions through business combination										-
Foreign currency translation adjustments										-
<b>Balance as at March 31, 2023</b>	<b>6,55,796</b>	<b>340,19,720</b>	<b>68,163</b>	<b>18,90,174</b>	<b>778,87,025</b>	<b>185,76,575</b>	<b>9,22,627</b>	<b>105,33,529</b>	<b>6,35,801</b>	<b>1451,89,410</b>
<b>II. Accumulated depreciation</b>										
<b>Balance as at 1 April, 2022</b>	-	225,12,909	68,163	17,85,300	725,08,950	179,85,982	8,48,013	103,90,417	6,07,468	1267,07,201
Depreciation expense for the year		2,38,396		3,614	6,53,780			20,436		9,16,226
Acquisitions through business combinations										-
Eliminated on disposal of assets									-	-
Foreign currency translation adjustments										-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>227,51,305</b>	<b>68,163</b>	<b>17,88,914</b>	<b>731,62,730</b>	<b>179,85,982</b>	<b>8,48,013</b>	<b>104,10,853</b>	<b>6,07,468</b>	<b>1276,23,427</b>

Carrying Amount	Freehold land	Buildings	Buildings temporary	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
<b>III. Carrying Amount</b>										
<b>Balance as at March 31, 2022</b>	6,55,796	115,06,811	-	90,213	53,78,075	5,90,593	74,614	1,43,112	28,333	184,67,547
<b>Balance as at March 31, 2023</b>	<b>6,55,796</b>	<b>112,68,415</b>	<b>-</b>	<b>1,01,260</b>	<b>47,24,295</b>	<b>5,90,593</b>	<b>74,614</b>	<b>1,22,676</b>	<b>28,333</b>	<b>175,65,982</b>

**TRANSGENE BIOTEK LIMITED**

**Plot No:69 & 70, IDA Bollaram, Sangareddy District, Hyderabad-502325**

**Notes forming part of the financial statements**

**4 Intangible assets**

Description of Assets	Intellectual Property Rights	Technology	Total Intangible Asstes	Intagible Under Development
<b>I. Cost or deemed cost</b>				
<b>Balance as at April 1, 2022</b>	7,56,803	9301,18,554	9308,75,357	186,76,633
Additions	-	-	-	
Disposals	-	-	-	
Additions through business combination	-	-	-	
Foreign currency translation adjustments	-	-	-	
<b>Balance as at March 31, 2023</b>	<b>7,56,803</b>	<b>9301,18,554</b>	<b>9308,75,357</b>	<b>186,76,633</b>
<b>II. Accumulated depreciation</b>				
<b>Balance as at 1 April, 2022</b>	<b>2,72,270</b>	<b>8350,99,905</b>	<b>8353,72,175</b>	-
Depreciation expense for the year	71,896	485,12,720	<b>485,84,616</b>	
Acquisitions through business combinations			-	
Eliminated on disposal of assets			-	
Foreign currency translation adjustments			-	
<b>Balance as at March 31, 2023</b>	<b>3,44,166</b>	<b>8836,12,625</b>	<b>8839,56,792</b>	-

Carrying Amount	Intellectual Property Rights	Technology	Total Intangible Asstes	Intagible Under Development
<b>III. Carrying Amount</b>				
<b>Balance as at March 31, 2022</b>	4,84,533	950,18,649	955,03,182	186,76,633
<b>Balance as at March 31, 2023</b>	4,12,637	465,05,929	469,18,565	186,76,633

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**5A. Investments**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>A. Non-current investments</b>		
<b>Investment carried at cost</b>		
(i) Equity instruments of Subsidiaries (unquoted)	9220,09,728	9220,09,728
(ii) Equity Investment in Wholly owned subsidiary	-	-
(ii) Equity Investment in a Company (Note 3)	9,50,150	9,50,150
<b>Provision for Impairment</b>	(9220,09,728)	(9220,09,728)
<b>Total</b>	<b>9,50,150</b>	<b>9,50,150</b>

**Note 1:** As per IND AS 110 Consolidated financial statements Subsidiary should either be measured at Cost or FVTPL (Fair Value Through Profit and Loss) Fair value of Investment in transgene HK as on 31st March 2020 is valued at zero as there were no transactions since three years.

There are no activities undertaken at the subsidiary since the year 2015-16.

The focus has not been lost regarding the irregularities committed through the account at Standard Chartered Bank, Singapore with efforts continuing for the recovery of funds transferred illegally from its account.

**Note:2** Transgene Biotek Ltd has invested 99.99% equity share capital in M/s Peroral Bio Private Limited and it become the wholly owned subsidiary of Transgene from 23/12/2020.

Note 3: Transgene Biotek Ltd has invested 15% equity share capital in M/s Niedlfree Technologies Private limited from October 2022. Consolidation of financial statements does not include this company as it does not meet the criteria.

**5B. Loans**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Non - Current</b>		
Loans to Others	-	-
Advances to Others	2302,04,250	2302,04,250
Advance towards acquisition of Capital Assets & Technical Know How	10988,19,754	10988,19,754
<b>Total Non current Loans</b>	<b>13290,24,004</b>	<b>13290,24,004</b>

Note : Includes payment made to M/s. Symetric Sciences Inc utilized out of GDR proceeds. Also Refer Schedule 13A, where 100% provision is made against such advances paid to the party on account of Non - Recoverability.

**6.Other Non current and current assets**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>6A. Non-current</b>		
Balance with government authority	15,05,437	13,97,088
<b>Total non-current assets</b>	<b>15,05,437</b>	<b>13,97,088</b>
<b>6B. Current:</b>		
Balance with government authority	-	1,800
Other advances		
- Unsecured, considered good	84,88,786	58,01,258
Less: Allowance for bad and doubtful loans	-	-
<b>Total current assets</b>	<b>84,88,786</b>	<b>58,03,058</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**7. Inventories**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Current assets</b>		
Inventories (lower of cost and net realisable value)		
- Raw materials	3,37,603	9,46,220
<b>Total</b>	<b>3,37,603</b>	<b>9,46,220</b>

**8A . Trade Receivables**

Particulars	As at	
	March 31, 2023	March 31, 2022
<i>Trade receivables</i>		
Unsecured considered good	84,460	84,460
<b>Total</b>	<b>84,460</b>	<b>84,460</b>

**8B. Cash and Cash Equivalents**

Particulars	As at	
	March 31, 2023	March 31, 2022
Balances with Banks in Current Accounts	29,824	56,849
Cash on hand	699	94,378
<b>Total</b>	<b>30,523</b>	<b>1,51,227</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**9. Equity share capital**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Authorised share capital:</b>		
7,60,00,000 fully paid up equity shares of Rs. 10 each	7600,00,000	7600,00,000
10,000 fully paid up equity shares of Rs. 10 each	1,00,000	
<b>Issued and subscribed capital:</b>		
7,57,70,000 fully paid up equity shares of Rs. 10 each	7577,00,000	7577,00,000
1 fully paid up equity shares of Rs. 10 each (9,990 shares are acquired by Transgene)	10	10
<b>Total</b>	<b>7577,00,010</b>	<b>7577,00,010</b>

**(A) Reconciliation of the number of shares outstanding:**

Particulars	Number of shares	Amount
<b>Balance at March 31, 2022</b>	<b>757,70,000</b>	<b>7577,00,000</b>
Additions/(Deletions)	-	-
<b>Balance at March 31, 2023</b>	<b>757,70,000</b>	<b>7577,00,000</b>

**(B) Details of shares held by each shareholder holding more than 5% shares**

Name of the Shareholders	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Dr. K. Koteswara Rao	164,27,902	22%	164,27,902	22%
Polavarapu Vikram	87,32,171	12%	87,32,171	12%
The Bank of New York Mellon, DR	62,70,000	8%	62,70,000	8%

**(C) Rights, preferences and restrictions attached to equity shares :**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Each holder of one equity share is entitled to one vote per share.

In the event of the liquidation of the Company, the holders of shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exists currently.

The amount distributed will be in proportion to the number of equity shares held by the shareholders.

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**10. Other equity**

Particulars	As at	
	March 31, 2023	March 31, 2022
Retained earnings	(22925,96,576)	(22325,10,590)
Exchange translation reserve	4693,86,085	1757,68,175
Securities premium account	13880,92,501	13880,92,501
Capital Reserve	724,73,902	724,73,902
Warrants Forfeiture Reserve	122,50,000	122,50,000
<b>Balance at end of year</b>	<b>(3503,94,088)</b>	<b>(5839,26,012)</b>

**11. Non-current borrowings**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured - at amortised cost</b>		
Term loans		
from other parties (Refer Note(i) below)	15,00,000	15,00,000
<b>Secured - at amortised cost</b>		
Term loans		
from other parties (Refer Note(ii) below)	480,03,606	461,89,968
<b>Total non-current borrowings</b>	<b>495,03,606</b>	<b>476,89,968</b>

**Notes:**

i) Unsecured loans from others includes corporates

(ii) Term loan from other parties includes Department of Bio Technology (DBT), Ministry of Science and Technology are secured by the whole of movable and immovable properties acquired from the loan sanctioned by the DBT under SBIRI scheme.

**12. Provisions**

Particulars	As at	
	March 31, 2023	March 31, 2022
12A Non - Current (Refer Note (ii) Below)	11522,13,978	11522,13,978
12B Current (Refer Note (i) Below)	182,06,660	141,47,676
<b>Total</b>	<b>11704,20,638</b>	<b>11663,61,654</b>

**Notes:**

(i) Current Provisions include:

- Rs.54,33,826 of Statutory provisions payable for Employee Benefits
- Rs. 87,32,150 on account of IT Demands raised by IT Dept. with respect to AY 2010-11,11-12,13-14,19-20
- Rs.37,70,464 is provision for penalty for GDR case
- Rs,2,70,220 is Provision for BSE fines

(ii) Non Current Provisions include 100% provision made against payment made to M/s. Symetric Sciences Inc utilized out of GDR proceeds which is also disclosed as Advances to others under Loans in Note No. 5.

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**13. Other liabilities**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>13A Non - Current</b>		
Government grant	35,07,763	52,61,643
<b>Total</b>	<b>35,07,763</b>	<b>52,61,643</b>
<b>13B Current</b>		
Advance from customers	9,50,150	16,00,150
Statutory remittances	4,65,303	3,96,838
Others	12,653	3,75,266
<b>Total</b>	<b>14,28,106</b>	<b>23,72,254</b>

**14. Current borrowings**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Unsecured - at amortised cost</b>		
Loans from related parties	765,01,006	679,89,981
Loans from Others	51,20,000	44,00,000
<b>Total</b>	<b>816,21,006</b>	<b>723,89,981</b>

**15. Trade Payables**

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Trade Payables - Current</b>		
Dues to creditors other than micro enterprises and small enterprises	22,86,700	20,27,760
<b>Total</b>	<b>22,86,700</b>	<b>20,27,760</b>

**15A. Other Financial Liabilities**

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>Current</b>		
Other Payables	11,26,311	11,26,311
<b>Total</b>	<b>11,26,311</b>	<b>11,26,311</b>

**Note :**

Under Ind AS, certain financial assets and financial liabilities are measured at amortised cost which involves the application of effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability. The interest unwinding is charged through profit and loss in subsequent period.

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**16. Revenue from operations**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Sale of services	5,50,847	8,66,949
Other operating revenue	-	-
<b>Total</b>	<b>5,50,847</b>	<b>8,66,949</b>

**17. Other income (net)**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
<b>Other non-operating income</b>		
Amortisation of government grant	17,53,880	17,53,880
Liabilities & Provisions no longer required, written back	-	3,71,444
Miscellaneous income ( net)	-	-
	<b>17,53,880</b>	<b>21,25,324</b>
<b>Other gains and losses</b>		
Gain on disposal of property, plant and equipment	-	-
	-	-
<b>Total</b>	<b>17,53,880</b>	<b>21,25,324</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**18. Cost of materials consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening stock	9,46,220	2,05,100
Add: Purchases	54,546	2,78,988
Less: Closing stock	3,37,603	9,46,220
	<b>6,63,163</b>	<b>(4,62,132)</b>

**19. Employee Benefits Expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages, including bonus	28,56,090	26,90,297
Contribution to provident and other funds	1,81,518	1,88,545
Staff welfare expenses	-	-
Actuarial Gain or loss	-	-
<b>Total</b>	<b>30,37,608</b>	<b>28,78,842</b>

**20. Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest expense</b>		
- Interest on bank overdrafts and loans	-	-
- Other interest expense	18,13,638	22,67,800
<b>Total</b>	<b>18,13,638</b>	<b>22,67,800</b>

**21. Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment	9,16,226	18,27,405
Amortisation of intangible assets	485,84,616	974,16,155
<b>Total</b>	<b>495,00,842</b>	<b>992,43,560</b>

**TRANSGENE BIOTEK LIMITED**

Plot No:69 &amp; 70, IDA Bollaram, Sangareddy District, Hyderabad-502325

Notes forming part of the financial statements

**22. Other operating expenses Consolidated**

<b>Particulars</b>	<b>For the year ended March 31, 2023</b>	<b>For the year ended March 31, 2022</b>
Audit fee	1,50,000	1,50,000
Bank charges	23	60
Directors sitting fees	60,000	75,000
Packing Freight Outwards, Customs etc	-	1,500
Insurance	30,341	77,099
Interests & Penalties	44,21,813	23,166
Legal & professional charges	9,81,789	8,59,685
Listing Expenses	4,60,620	4,50,000
Marketing and advertising expenses	9,000	8,000
Miscellaneous expenses	19,999	24,701
Office Expenses	2,05,370	51,730
Patents application filing fees	4,47,706	2,10,490
Pollution Control charges	-	1,52,215
Postage & Courier	19,720	5,826
Power and fuel	93,569	1,39,029
Printing and stationery	13,840	250
Rates and taxes	2,02,182	2,74,734
Repairs to others	94,353	10,500
Internet Charges	15,996	8,881
Business Promotion Expenses	18,303	41,759
E Voting Charges	41,344	72,237
Telephone Expenses	7,997	24,545
Travelling and conveyance	56,996	28,800
Municipal Taxes	-	3,67,029
Testing charges	1,720	-
Transport charges	6,000	-
Website Expenses	16,780	27,012
<b>TOTAL</b>	<b>73,75,461</b>	<b>30,84,248</b>

## **Notes to the Consolidated Financial Statements for the Year ended 31st March, 2023.**

### **1. Corporate information:**

M/s. Transgene Biotek Limited ("The Holding Company") is a Public Limited Company. The Company is located in 69 & 70, Anrich Industrial Area, Bollaram, Sangareddy District, India and was incorporated on 1st March 1990 under the provisions of the Companies Act, 2013. The Holding Company and its Wholly Owned Subsidiary M/s. Transgene Biotek HK Limited, which is located in HongKong, and the company has new wholly owned subsidiary from FY 2020-21 named "PERORAL BIO PRIVATE LIMITED" are together known as (hereinafter) "the Company" or "the Group". The Company is in the business of Research & Development.

The operations in the Subsidiary (Transgene Biotek HK Limited) are being shut down for more than six years (since financial year 2015-16) with no activities of any sort.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 29.06.2023.

### **2. Significant accounting policies**

#### **2.1. Statement of Compliance**

These financial statements are separate financial statements of the Group (also called consolidated financial statements). The Group has prepared financial statements for the year ended March 31, 2023 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) together with the comparative period data as at and for the year ended March 31, 2023.

#### **2.2. Basis of preparation:**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- i. Certain Non-Current & Current financial liabilities measured at amortized cost,

The Consolidated Financial Statements of the Group are presented in Indian Rupees (Rs.), which is also its functional currency.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

### **2.3. Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Parent Company, and its subsidiaries as stated above. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity.

Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances, transactions including unrealised gain/ loss from such transactions and cash flows relating to transactions between members of the Group are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group.

#### **Subsidiary Company – Transgene Biotek HK Limited**

As informed by management the activities at the subsidiary are temporarily suspended and there are no activities undertaken at the subsidiary during the year 2022-23. The management is continuously reviewing the business plans to revive the entity and hence the financials are being prepared on going concern basis and the investments are continued to be valued as in earlier years.

Due to reasons stated above the balances of earlier years are being carried forward in the current year.

#### **a. Current V/s. non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ noncurrent classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

## **b. Foreign currencies**

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

### **Transgene Biotek HK Limited:**

With regard to above mentioned foreign subsidiary as informed by management the subsidiary is not in operations, the books of accounts have not been audited since many years along with FY 2022-23.

The company is not recognizing foreign gain of loss as there are no transactions incurred since many years. The last available figures are of 2014-15 and the same are being carried forward since then.

## **c. Segment Reporting**

The Company is currently operating only in one segment of Bulk Drugs, Segment Wise Reporting is not applicable as per IND AS 108.

#### **d. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

##### **i) Rendering of services**

Revenue for the company is in the form of Research and Development services to external agencies which is recognised on formal acceptance by the agency which is in consistent with the above mentioned principle of revenue recognition.

#### **e. Government grants**

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

#### **f. Property, plant and equipment**

Under the previous GAAP (Indian GAAP), Freehold land and buildings (property), other than investment property, were carried in the balance sheet on the basis of carrying value as per previous GAAP as on date of balance sheet. The Company has elected to regard those values of property as deemed cost.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Building 60 years
- Temporary Building 3 years
- Computers 3 years
- Plant and equipment 15 years

- Electrical Equipments 10 years
- Furniture 8 years
- Office Equipment 5 years
- Vehicles 8 years
- Lab equipment 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **g. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite i.e. for a period of 10 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

#### **h. Research and Development Expenditure**

Research and Development Expenditure Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

#### **i. Finance costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur.

**j. Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

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

**k. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes Cash on hand and other Balances with Banks in Current Accounts that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**l. Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated. Bank overdrafts are classified as part of cash and cash equivalent, as they form an integral part of an entity's cash management.

**m. Tax Expenses**

In view of the current year loss and the losses accumulated in the previous years no liability on income tax is expected. As there is no certainty in utilizing the deferred tax asset, hence, the deferred tax asset has not been recognized in the books of accounts.

**n. Employee benefits**

**i. Short-term employee benefit obligations**

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the

liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**ii. Post-employment benefits**

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

The Company does not operate a defined benefit gratuity plan and Leave Encashment in India for which no provision has been booked for the year ended 31st March, 2023.

Actuarial Valuation of Gratuity:

As on date of balance sheet no actuarial valuation is carried out by the management and no disclosures to that effect on Employee benefits is made in the Financial Statements and no provisioning for retirement / terminal benefits done by the company.

The Company is not in practice of providing any other Defined Benefit Plan to the employees for the year ended 31st March, 2023.

**o. Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**p. Earnings per share**

**i. Basic earnings per share**

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**ii. Diluted earnings per share**

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### q. Provisions

##### General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The company has made 100% provision for the investment made in the Transgene Biotek HK Limited (Subsidiary) for Rs. 92,20,09,728/- based on the documents provided to the company.

However, it came to be revealed, as per the statement by the management that entire GDR fund of USD 40.5 mil except for USD 0.6 mil received by the company was fraudulently siphoned out of its account at Investec Bank to entities such as M/s. Symetric Sciences Inc etc. The management stated that it is pursuing the matter of recovering the entire amount of USD 39.9 mil lost from its account at Investec Bank taking help from different sources including an appeal to the Enforcement Directorate.

#### r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

##### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the financial asset.

##### De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement? And either
  - the Company has transferred substantially all the risks and rewards of the asset, or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## **Financial liabilities**

### 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, 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.

### **Subsequent measurement**

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

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

#### **De-recognition**

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 the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next

reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## 27. Contingent Liabilities:

- a. Contingent liabilities are not provided for in respect of

Particulars	2022-23	2021-22
(i) Customs duty demands disputed by the company	59,37,000	59,37,000
(ii) Claims against the company not acknowledged as debts	40,00,000	40,00,000

- a. Reference is made about the longstanding case at CESTAT, Chennai and the Honourable Member Ms. Sulekha Beevi C.S passed an order on 25th May 2017 stating that "the matter is stayed by the Hon'ble High Court of Madras. Both sides have not been able to submit when the matters are likely to be disposed by the Hon'ble High Court. Viewed in this light, we are of the considered opinion that it would be appropriate and prudent to close the file for the purpose of statistics. Both sides are at liberty to file application before the Tribunal to reopen the matter as and when the case is disposed by the Hon'ble High Court or in the case of change of circumstances." In view of the above order, no provision has been made in the current balance sheet but the management shall keep a cautious eye on the potential developments, if any and will act as per the requirements.
- b. The appeal filed against the Income tax demand for FY 2011-12 (AY 2012-13) has been accepted and demand has been nullified by the department with order dated 24/08/2021. The provision has been created through Retained earnings in previous years hence reversed it through the same. However, the income tax department has filed appeal to high court against this order. Hence the demand amount of Rs.5.96 Crores is treated as contingent liability.
- c. The Department of Biotechnology has sanctioned a loan amount of Rs.4.07 Crores under Small Business Innovative Research Initiative (SBIRI) scheme currently called as BIRAC for the novel technology Upgradation for Orlistat production, for which a charge against movable and immovable assets acquired from utilization of the said loan amount has been created. An amount of Rs.30,06,135/- is demanded by SIBRI towards interest for which a provision has been made. However, the company has made a settlement offer to BIRAC. On a condition that such offer upon acceptance an offer of Rs. 20 Lakhs made, which was encashed during the financial year. However company is yet to receive any written acceptance towards their proposal.

## 28. Expenditure in Foreign Currency:

Foreign Exchange:	2022-23	2021-22
Foreign Exchange Inflow	Nil	Nil
Foreign Exchange Outflow	Nil	Nil

## 29. Auditor's Remuneration

Particulars	2022-23	2021-22
As Statutory Auditors	1,50,000	1,50,000
For Taxation Matters	-	-
Total	1,50,000	1,50,000

### 30. Related Party Disclosures

#### Related Parties:

##### a) Key Managerial Personnel:

Dr. K. KoteswaraRao: Managing Director

##### b) Relatives to Key Managerial Personnel:

K. Laxmidhar Rao: Son of Managing director

K.Nirmala Rao: Wife of Managing director

K. SrinivasaRao: Son of Managing Director

##### c) Subsidiaries

Transgene Biotek HK Limited: Wholly Owned Subsidiary

Peroral Bio Private Limited: Wholly owned Subsidiary

The following are the transactions made with Key Managerial personnel and related parties:

#### K. Koteswara Rao:

Amount in Rs

Nature of Transaction	Amount	Amount
Advances received by the company	0.00	0.00
Amounts spent on behalf of the company	87,42,164.64	45,12,405.28
Amount repaid by the company	2,31,140.00	0.00
	<b>85,11,024.64</b>	<b>45,12,405.28</b>

### 31. Remuneration to Directors for the year ended 31.03.2023

Amount in Rs

Particulars	2022-23	2021-22
Salaries and Other Allowances	-	-
Contribution to Provident fund	-	-
<b>TOTAL</b>	-	-

### 32. Segment Reporting:

As the company has no Segments and concentrating on Research&Development. Thus,reporting under segment is not applicable.

### 33. Earnings Per Share (EPS):

Particulars	2022-23	2021-22
a) Profit/(Loss) attributable to equity shareholders	(6,00,83,686)	(10,40,20,045)
b) Weighted average number of equity shares at the end of the year	7,57,70,000	7,57,70,000
-Basic	7,57,70,000	7,57,70,000
-Diluted		
c) Earnings per Equity Share of Rs.10/- each		
-Basic	(0.79)	(1.37)
-Diluted	(0.79)	(1.37)

### 34. Standards issued and effective from 01<sup>st</sup> April,2018

#### IND AS 115, Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified Ind AS 115, 'Revenue from Contracts with Customers', which effective for accounting is periods beginning on or after 1 April 2018. This comprehensive new standard will supersede existing revenue recognition guidance, and requires an

entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard also will result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements

Ind AS 115 is effective for annual reporting periods beginning on or after April 1, 2018.

The Company intends to adopt Ind AS 115 effective April 1, 2018, using the modified retrospective method. The adoption of Ind AS 115 is not expected to have a significant impact on the Company's recognition of revenues

### **35. Other Amendments to Indian Accounting Standards:**

The Ministry of Corporate Affairs (MCA), on 28 March 2018, issued certain amendments to Ind AS. The amendments relate to the following standards:

Ind AS 21, The Effects of Changes in Foreign Exchange Rates - The amendment lays down the principle regarding advance payment or receipt of consideration denominated or priced in foreign currency and recognition of non-monetary prepayment asset or deferred income liability.

Ind AS 12, Income Taxes - The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilization are two separate steps and the carrying amount of an asset is relevant only to determining temporary differences.

Ind AS 28, Investments in Associates and Joint Ventures - The amendment clarifies when a venture capital, mutual fund, unit trust or similar entities elect to initially recognize the investments in associates and joint ventures.

Ind AS 112, Disclosure of Interests in Other Entities - The amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as Held for sale or discontinued operations in accordance with Ind AS 105.

Ind AS 40, Investment Property - The amendment clarifies when a property should be transferred to / from investment property. The amendments are effective 1 April 2018. The Company believes that the aforementioned amendments will not materially impact the financial position, performance or the cash flows of the Company

### **36. Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

The areas involving critical estimates or judgements are:

- Estimated useful life of intangible asset.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

### 37. Financial Instruments

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (Unobservable inputs).

A. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2023:

Description of Assets	As at 31 March 2023	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-		-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,80,03,606		4,80,03,606	

B. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2022:

Description of Assets	As at 31 March 2022	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-		-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,61,89,968		4,61,89,968	

38. In the opinion of the Board of Directors of the company the value on realization of Current Assets in the ordinary course of business will not be less than the amount at which they have been stated in the Balance Sheet as on 31<sup>st</sup> March, 2023.

39. Balances of Creditors, Debtors & Advances as on 31st March 2023 are subject to confirmation from the parties concerned.

40. Previous year figures have been regrouped and rearranged wherever necessary.

41. The figures have been rounded off to the nearest Rupee.

**For Manisha Dubey & Associates**  
Chartered Accountants  
F.R.N: 010114S

For and on behalf of the board  
**M/s. Transgene Biotek Limited**

**Sd/-**  
**Manisha Dubey**  
Proprietor  
M.R.N: 212664  
UDIN: **23212664BGZHJT6056**  
Place: Hyderabad  
Date: 30-05-2023

**Sd/-**  
**Dr. K. KoteswaraRao**  
Chairman & Managing Director  
DIN: 02287235

**Sd/-**  
**Sujanakadlam**  
Director  
DIN: 07167872