



May 30, 2023

The General Manager
Department of Corporate Services – CRD,
Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.

Scrip Code: 526139

Subject: Outcome of Board Meeting and submission of Audited Financial Results for the financial year ended March 31, 2023

Dear Sir/Madam,

This has reference to our letter dated May 12, 2023.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- a) Audited Financial Results (Standalone and consolidated) of the Company for the fourth quarter and financial year ended March 31, 2023.
- b) Report of the Auditors on the Audited Financial Results, both for Standalone and Consolidated financial statements for the financial year ended March 31, 2023.
- c) Declaration pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Consolidated and Standalone Financial Statements for the Financial Year ended March 31, 2023.

The meeting of the Board of Directors of the Company commenced at 11.00 AM and concluded at 5.00 PM.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For TRANSGENE BIOTEK LIMITED

DR K KOTESWARA RAO
CHAIRMAN & MANAGING DIRECTOR

Encl: As above

TRANSGENE BIOTEK LIMITED

69 & 70, IDA Bollaram, Sangareddy District - 502325, Telangana

CIN NO: L85195TG1990PLC011065

Standalone Statement of assets and liabilities as on March 2023

PARTICULARS	As at 31 March 2023	As at 31 March 2022
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	1,75,65,982	1,84,67,547
(b) Right of Use Assets	-	-
(c) Capital work-in-progress	-	-
(d) Investment Properties	-	-
(e) Goodwill	-	-
(f) Other intangible assets	4,69,18,565	9,55,03,182
(g) Intangible assets under development	1,86,76,633	1,86,76,633
(h) Biological Assets Other Than Bearer Plants	-	-
(i) Financial assets	-	-
(i) Investments	10,50,140	10,50,140
(ii) Trade Receivables	-	-
(iii) Loans	23,02,04,250	23,02,04,250
(iv) Other Financial Assets	-	-
(j) Deferred Tax Assets (Net)	-	-
(k) Other non-current assets	15,05,437	13,97,088
SUB-TOTAL	31,59,21,007	36,52,98,840
CURRENT ASSETS		
(a) Inventories	3,37,603	9,46,220
(b) Financial assets	-	-
(i) Investments	-	-
(ii) Trade Receivables	-	-
(iii) Cash and cash equivalents	29,824	56,849
(iv) Bank Balances other than (iii) above	699	94,378
(v) Loans	-	-
(vi) Other Financial Assets	-	-
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	84,88,786	58,03,058
SUB-TOTAL	88,56,912	69,00,505
Non-Current Assets Classified as Held for Sale		-
TOTAL ASSETS	32,47,77,919	37,21,99,345

EQUITY AND LIABILITIES	As at 31 March 2023	As at 31 March 2022
EQUITY		
Equity share capital	75,77,00,000	75,77,00,000
Other equity	-81,97,53,891	-75,96,70,206
SUB-TOTAL	-6,20,53,891	-19,70,206
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities	-	-
(i) Borrowings	4,95,03,606	4,76,89,968
(ii) Trade Payable	-	-
(iii) Other financial liabilities	-	-
(b) Provisions	23,02,04,250	23,02,04,250

For M/s. MANISHA DUBEY & ASSOCIATES
CHARTERED ACCOUNTANTS

FR No. 101145

(CA. MANISHA
Proprietor M No


(c) Deferred tax liabilities (net)	-	-
(d) Other non-current liabilities	35,07,763	52,61,643
SUB-TOTAL	28,32,15,619	28,31,55,861
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	8,16,94,725	7,24,66,000
(ii) Trade payables	22,86,700	20,27,760
(iii) Other financial liabilities	-	-
(b) Provisions	1,82,06,660	1,41,47,676
(c) Other current liabilities	14,28,106	23,72,254
(d) Current tax liabilities (net)	-	-
SUB-TOTAL	10,36,16,191	9,10,13,690
TOTAL EQUITY AND LIABILITIES	32,47,77,919	37,21,99,345
Corporate information and significant accounting policies		
The accompanying notes form an integral part of the Consolidated financial statements		

Contingent Liabilities:

1. 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.

Notes To Accounts:

- The management is happy to announce the completion of Biologics development and formulation facility by 1st May 2023. Various regulatory approvals have already been received and the remaining ones are expected shortly.
- We are waiting for the SAT hearing to be concluded.
- Final hearing at the Enforcement Directorate, Chennai had taken place on 24th April 2023 and we are waiting for the outcome of that hearing.
- No. of complaints pending at the beginning of the quarter - 0; received complaints during the quarter - 0.
- The auditors have carried out a limited review of the above financial results and these were reviewed by the Audit committee and taken on record by the Board of Directors of the Company at their meeting held on 30th May 2023.

For TRANSGENE BIOTEK LIMITED


Dr. K. Koteswara Rao
Managing Director

Date: 30.05.2023

Place: Hyderabad

UDIN-23212664BGZHT6056

For M/s. MANISHA DUBEY & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FR No. 0101145

(CA. MANISHA DUBEY)
 Proprietor, M.No. 212664





TRANSGENE BIOTEK LIMITED

Plot No:69 & 70, IDA Bollaram, Sangareddy District. IDA Bollaram Hyderabad TG 502325 IN

CIN NO: L85195TG1990PLC011065

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 2023

Sr. No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
1	Revenue from operations	-	-	8,50,000	5,50,847	8,66,949
2	Other income (net)	4,38,470	4,38,470	8,09,914	17,53,880	21,25,324
3	Total income (1 + 2)	4,38,470	4,38,470	16,59,914	23,04,727	29,92,273
4	EXPENSES					
	Cost of materials consumed	31,648	10,800	56,678	54,546	(4,62,132)
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	6,08,617	-	(7,41,120)	6,08,617	-
	Employee benefits expense	7,86,312	7,59,282	7,88,510	30,37,608	28,78,842
	Finance costs	4,53,410	4,53,410	5,66,950	18,13,638	22,67,800
	Depreciation and amortisation expense	1,23,74,307	1,23,74,307	2,51,27,981	4,95,00,842	9,92,43,559
	Other expenses	8,97,288	6,33,171	13,10,036	73,73,161	30,84,248
	Total expenses	1,51,51,582	1,42,30,970	2,71,09,035	6,23,88,413	10,70,12,317
5	Profit before exceptional items, share of profit from associate & joint venture and tax (3 - 4)	(1,47,13,112)	(1,37,92,500)	(2,54,49,121)	(6,00,83,686)	(10,40,20,044)
6	Exceptional item (net)	-	-	-	-	-
7	Profit before tax (5 - 6)	(1,47,13,112)	(1,37,92,500)	(2,54,49,121)	(6,00,83,686)	(10,40,20,044)
8	Tax expense					
	Tax adjustments for earlier years	-	-	-	-	-
	Current tax	-	-	-	-	-
	Deferred tax	-	-	-	-	-
	Total tax expense	-	-	-	-	-
9	Profit for the year (7 - 8)	(1,47,13,112)	(1,37,92,500)	(2,54,49,121)	(6,00,83,686)	(10,40,20,044)
10	Other comprehensive income					
	A Items that will not be reclassified subsequently to profit or loss					
	(a) Remeasurements cost of post employment benefits	-	-	-	-	-
	Total other comprehensive income	-	-	-	-	-
11	Total comprehensive income for the year (9 + 10)	(1,47,13,112)	(1,37,92,500)	(2,54,49,121)	(6,00,83,686)	(10,40,20,044)
12	Earnings per equity share					
	(Equity shares, par value of Rs. 10 each)	7,57,70,000	7,57,70,000	7,57,70,000	7,57,70,000	7,57,70,000
	Basic (Rs.)	(0.19)	(0.18)	(0.34)	(0.79)	(1.37)
	Diluted (Rs.)	(0.19)	(0.18)	(0.34)	(0.79)	(1.37)

For TRANSGENE BIOTEK LIMITED

[Signature]

Dr.K.Koteswara Rao
Managing Director

Date: 30.05.2023
Place:Hyderabad
UDIN-23212664BGZHT6056

For M/s. MANISHA DUBEY & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 0101145

(CA. MANISHA DUBEY)
Proprietor, M.No. 212664



TRANSGENE BIOTEK LIMITED

68, 69 & 70, Anrich Industrial Area, Bollaram, MEDAK DISTRICT.

Standalone Audited Statement of Cash Flows for the half year ended March 2023

Particulars	For the period ended March 31, 2023		For the period ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		(6,00,83,686)		(10,40,20,04)
<u>Adjustments for:</u>				
Depreciation and amortisation expense	4,95,00,842		9,92,43,560	
Finance costs	18,13,638		22,67,800	
Amortisation of government grant	(17,53,880)		(17,53,880)	
Supplier Advances Written off	-		-	
Profit or loss on sale of Fixed asset	-		-	
Operating profit before working capital changes		(1,05,23,085)	-	(42,62,56)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Trade receivables	-		-	
Other non-current assets	-		-	
Other Current assets	(26,85,728)		2,10,030	
Inventories	6,08,617		(7,41,120)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	2,58,940		(3,68,092)	
Provision (CL)	40,58,984		2,10,097	
Borrowing (CL)	92,28,725		45,88,424	
Other financial liabilities	-		-	
Other current liabilities	(9,44,148)		13,41,252	
Provison (NCL)	-		-	
Cash generated from operations		2,305		9,78,027
Net income tax paid		-		-
Net cash flow from operating activities (A)		2,305		9,78,027
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(14,661)			
Investments	-		(9,50,150)	
Non Current Assets	(1,08,349)		(18,392)	
Net cash (used in) / flow from investing activities (B)		(1,23,010)		(9,68,542)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares	-			
Finance costs	-			
Proceeds from Borrowings	-			
Payment of Borrowing	-			
Net cash flow (used in) financing activities (C)		-		-
Net (decrease) in Cash and cash equivalents (A+B+C)		(1,20,705)		9,485
Cash and cash equivalents at the beginning of the year		1,51,227		1,41,743
Effect of exchange differences on translation of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		30,522		1,51,228

For M/s. MANISHA DUBEY & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 0101145

(CA. MANISHA DUBEY)
Proprietor, M.No. 212664

For and on behalf of the Board of Directors

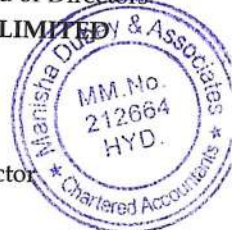
M/s TRANSGENE BIOTEK LIMITED

Dr.K K Koteswara Rao

Chairman & Managing Director

DIN:02287235

UDIN-23212664BGZHT6056



TRANSGENE BIOTEK LIMITED

69 & 70, IDA Bollaram, Sangareddy District - 502325, Telangana

CIN NO: L85195TG1990PLC011065

Consolidated Statement of assets and liabilities as on March 2023

PARTICULARS	As at 31 March 2023	As at 31 March 2022
ASSETS		
NON-CURRENT ASSETS		
(a) Property, plant and equipment	1,75,65,982	1,84,67,547
(b) Right of Use Assets	-	-
(c) Capital work-in-progress	-	-
(d) Investment Properties	-	-
(e) Goodwill	-	-
(f) Other intangible assets	4,69,18,565	9,55,03,181
(g) Intangible assets under development	1,86,76,633	1,86,76,633
(h) Biological Assets Other Than Bearer Plants	-	-
(i) Financial assets	-	-
(i) Investments	9,50,150	9,50,150
(ii) Trade Receivables	-	-
(iii) Loans	1,32,90,24,004	1,32,90,24,004
(iv) Other Financial Assets	-	-
(j) Deferred Tax Assets (Net)	-	-
(k) Other non-current assets	15,05,437	13,97,088
SUB-TOTAL	1,41,46,40,771	1,46,40,18,603
CURRENT ASSETS		
(a) Inventories	3,37,603	9,46,220
(b) Financial assets	-	-
(i) Investments	-	-
(ii) Trade Receivables	84,460	84,460
(iii) Cash and cash equivalents	29,824	56,849
(iv) Bank Balances other than (iii) above	699	94,378
(v) Loans	-	-
(vi) Other Financial Assets	-	-
(c) Current Tax Assets (Net)	-	-
(d) Other current assets	84,88,786	58,03,058
SUB-TOTAL	89,41,372	69,84,965
Non-Current Assets Classified as Held for Sale		-
TOTAL ASSETS	1,42,35,82,143	1,47,10,03,568

EQUITY AND LIABILITIES	As at 31 March 2023	As at 31 March 2022
EQUITY		
Equity share capital	75,77,00,010	75,77,00,010
Other equity	-64,40,11,997	-58,39,26,013
SUB-TOTAL	11,36,88,013	17,37,73,997
LIABILITIES		
NON-CURRENT LIABILITIES		
(a) Financial Liabilities	-	-
(i) Borrowings	4,95,03,606	4,76,89,968
(ii) Trade Payable	-	-

For M/s. MANISHA DUBEY & ASSOCIATES
Chartered Accountants
No. 0101145

(CA. MANISHA DUBEY)
Proprietor M.No. 1664


(iii) Other financial liabilities	-	-
(b) Provisions	1,15,22,13,978	1,15,22,13,978
(c) Deferred tax liabilities (net)	-	-
(d) Other non-current liabilities	35,07,763	52,61,643
SUB-TOTAL	1,20,52,25,347	1,20,51,65,589
CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	8,16,21,006	7,23,89,981
(ii) Trade payables	22,86,700	20,27,760
(iii) Other financial liabilities	11,26,311	11,26,311
(b) Provisions	1,82,06,660	1,41,47,676
(c) Other current liabilities	14,28,106	23,72,254
(d) Current tax liabilities (net)	-	-
SUB-TOTAL	10,46,68,783	9,20,63,982
TOTAL EQUITY AND LIABILITIES	1,42,35,82,143	1,47,10,03,568
Corporate information and significant accounting policies		
The accompanying notes form an integral part of the Consolidated financial statements		

Contingent Liabilities:

1. 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.

Notes To Accounts:

1. The management is happy to announce the completion of Biologics development and formulation facility by 1st May 2023. Various regulatory approvals have already been received and the remaining ones are
2. We are waiting for the SAT hearing to be concluded.
3. Final hearing at the Enforcement Directorate, Chennai had taken place on 24th April 2023 and we are waiting for the outcome of that hearing.
4. No. of complaints pending at the beginning of the quarter - 0; received complaints during the quarter - 0.
5. The auditors have carried out a limited review of the above financial results and these were reviewed by the Audit committee and taken on record by the Board of Directors of the Company at their meeting held on

For TRANSGENE BIOTEK LIMITED




Dr.K.Koteswara Rao
Managing Director

UDIN-23212664BGZHV9677

Date: 30.05.2023

Place:Hyderabad



For M/s. MANISHA DUBEY & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 0101145

(CA. MANISHA DUBEY)
Proprietor, M.No. 212664





TRANSGENE BIOTEK LIMITED

Plot No:69 & 70, IDA Bollaram, Sangareddy District. IDA Bollaram Hyderabad TG 502325 IN

CIN NO: L85195TG1990PLC011065

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 2023

Sr. No.	Particulars	Quarter Ended			Year Ended	Year Ended
		31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)	31.03.2023 (Audited)	31.03.2022 (Audited)
1	Revenue from operations	-	-	8,50,000	5,50,847	8,66,949
2	Other income (net)	4,38,470	4,38,470	8,09,914	17,53,880	21,25,324
3	Total income (1 + 2)	4,38,470	4,38,470	16,59,914	23,04,727	29,92,273
4	EXPENSES					
	Cost of materials consumed	31,648	10,800	56,678	54,546	(4,62,132)
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	6,08,617	-	(7,41,120)	6,08,617	-
	Employee benefits expense	7,86,312	7,59,282	7,88,510	30,37,608	28,78,842
	Finance costs	4,53,410	4,53,410	5,66,950	18,13,638	22,67,800
	Depreciation and amortisation expense	1,23,74,307	1,23,74,307	2,51,27,981	4,95,00,842	9,92,43,559
	Other expenses	8,99,588	6,33,171	13,10,036	73,75,461	30,84,248
	Total expenses	1,51,53,882	1,42,30,970	2,71,09,035	6,23,90,713	10,70,12,317
5	Profit before exceptional items, share of profit from associate & joint venture and tax (3 - 4)	(1,47,15,412)	(1,37,92,500)	(2,54,49,121)	(6,00,85,986)	(10,40,20,044)
6	Exceptional item (net)	-	-	-	-	-
7	Profit before tax (5 - 6)	(1,47,15,412)	(1,37,92,500)	(2,54,49,121)	(6,00,85,986)	(10,40,20,044)
8	Tax expense					
	Tax adjustments for earlier years	-	-	-	-	-
	Current tax	-	-	-	-	-
	Deferred tax	-	-	-	-	-
	Total tax expense	-	-	-	-	-
9	Profit for the year (7 - 8)	(1,47,15,412)	(1,37,92,500)	(2,54,49,121)	(6,00,85,986)	(10,40,20,044)
10	Other comprehensive income					
	A Items that will not be reclassified subsequently to profit or loss					
	(a) Remeasurements cost of post employment benefits	-	-	-	-	-
	Total other comprehensive income	-	-	-	-	-
11	Total comprehensive income for the year (9 + 10)	(1,47,15,412)	(1,37,92,500)	(2,54,49,121)	(6,00,85,986)	(10,40,20,044)
12	Earnings per equity share					
	(Equity shares, par value of Rs. 10 each)					
	Basic (Rs.)	7,57,70,000	7,57,70,000	7,57,70,000	7,57,70,000	7,57,70,000
	Diluted (Rs.)	(0.19)	(0.18)	(0.34)	(0.79)	(1.37)
		(0.19)	(0.18)	(0.34)	(0.79)	(1.37)

For TRANSGENE BIOTEK LIMITED



Dr.K.Koteswara Rao
Managing Director
UDIN-23212664BGZHV9677
Date: 30.05.2023
Place:Hyderabad

For M/s. MANISHA DUBEY & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 0101145

(CA. MANISHA DUBEY)
Proprietor, M.No. 212664



Consolidated Audited Statement of Cash Flows for the half year ended March 2023

Particulars	For the period ended March 31, 2023		For the period ended March 31, 2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		(6,00,85,986)		(10,40,20,044)
<u>Adjustments for :</u>				
Depreciation and amortisation expense	4,95,00,842		9,92,43,560	
Finance costs	18,13,638		22,67,800	
Amortisation of government grant	(17,53,880)		(17,53,880)	
Supplier Advances Written off	-		-	
Profit or loss on sale of Fixed asset	-		-	
Operating profit before working capital changes		(1,05,25,385)		(42,62,564)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Trade receivables			-	
Other non-current assets	-			
Other Current assets	(26,85,728)		2,10,030	
Inventories	6,08,617		(7,41,120)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	2,58,940		(3,68,092)	
Provision (CL)	40,58,984		2,10,097	
Borrowing (CL)	92,31,025		45,88,424	
Other financial liabilities				
Other current liabilities	(9,44,148)		13,41,252	
Provison (NCL)			-	
Cash generated from operations		2,305		9,78,027
Net income tax paid		-		-
Net cash flow from operating activities (A)		2,305		9,78,027
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(14,661)			
Investments	-		(9,50,150)	
Non Current Assets	(1,08,349)		(18,392)	
Net cash (used in) / flow from investing activities (B)		(1,23,010)		(9,68,542)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares				
Finance costs				
Proceeds from Borrowings	-			
Payment of Borrowing				
Net cash flow (used in) financing activities (C)		-		-
Net (decrease) in Cash and cash equivalents (A+B+C)		(1,20,705)		9,485
Cash and cash equivalents at the beginning of the year		1,51,227		1,41,743
Effect of exchange differences on translation of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		30,522		1,51,228

For and on behalf of the Board of Directors

M/s TRANSGENE BIOTEK LIMITED

Dr. K K Koteswara Rao
Chairman & Managing Director
DIN:02287235
UDIN-23212664BGZHV9677

For M/s. MANISHA DUBEY & ASSOCIATES
CHARTERED ACCOUNTANTS
FR No. 0101145


(CA. MANISHA DUBEY)
Proprietor, M.No. 212664




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 31st 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.



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The Key Audit Matters	How our Audit addressed the key audit matter
SEBI ENQUIRY & ITS STATUS	
<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, retraining 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>Principal Audit procedures performed:</p> <ul style="list-style-type: none"> ➤ 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. ➤ Further on August 28th 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. ➤ 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. ➤ SEBI considered the same representation and issued a revised order Further on August 31st 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. ➤ 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. ➤ Notices to appear on May 10, 2023 through video in front of the Adjudication officer have been





	<p>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.</p> <p>➤ In the meantime, our petition to set aside SEB Adjudication proceedings is still pending at the Hon'ble High Court of Telangana.</p> <p>➤ All the compliances and instructions given by SEBI are being complied with like submission of certificates by PEER REVIEWED CA etc as and when asked for by the company.</p> <p>➤ As per the appeal filed with SAT, company felt 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.</p>
<p>GDR Issue:</p> <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.</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</p>	<p>➤ The company has been trying to recover the amount along with GDR proceeds from various parties as discussed above.</p> <p>➤ In our Audit procedure, we have verified the documents as relating the case and in advancement and assessed management's claim on the same.</p> <p>➤ However we are unable to opine whether the amount is recoverable or not as we are unable to obtain confirmation from the concerned party.</p>





documented evidences

However, the Management as a prudent measure, made full provision for the amount, in the Books of Account considering the facts.

INVESTMENTS:

Under the head Investment, an amount of Rs. 9220.10 Lakhs is made in Wholly owned subsidiary company viz. Transgene Biotek HK Limited.

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.

The Management is however trying to recover the lost GDR funds based on the factual documented evidences

As the subsidiary is not in operations, the books of accounts have not been audited since many years along with FY 2021-22.

As this amount may not be recoverable, as a prudent measure, management made full provision in the books of account considering 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.

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.

➤ 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.

➤ 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.

➤ There are no much significant transaction incurred in this subsidiary company in this financial year ending.



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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.



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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:



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- 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




Manisha Dubey
Proprietor
MRN: 212664

PLACE : HYDERABAD

DATE :

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



**MANISHA DUBEY AND
ASSOCIATES**

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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



Manisha Dubey
Manisha Dubey
Proprietor
MRN: 212664

PLACE : HYDERABAD
DATE : 30.05.2023

UDIN: 23212664BGZ HJ



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.



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- 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




Manisha Dubey
Proprietor
MRN: 212664

PLACE : HYDERABAD
DATE : 30.05.2023

UDIN-23212661BGZHT6056



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 31st 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
SEBI ENQUIRY & ITS STATUS	
<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.</p> <p>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, retraining 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>Principal Audit procedures performed:</p> <ul style="list-style-type: none"> ➤ 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. ➤ Further on August 28th 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. ➤ 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. ➤ SEBI considered the same representation and issued a revised order Further on August 31st 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. ➤ 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.



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➤ 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.

➤ In the meantime, our petition to set aside SEBI Adjudication proceedings is still pending at the Hon'ble High Court of Telangana.

➤ All the compliances and instructions given by SEBI are being complied with like submission of certificates by PEER REVIEWED CA etc as and when asked for by the company.

➤ 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.

GDR Issue:

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.

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.

- The company has been trying to recover this amount along with GDR proceeds from various parties as discussed above.
- In our Audit procedure, we have verified the documents as relating the case and its advancement and assessed management's claim on the same.
- However, we are unable to opine whether this amount is recoverable or not as we are unable to obtain confirmation from the concerned party.



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The Management is however trying to recover the lost GDR funds based on the factual documented evidences

However, the Management as a prudent measure, made full provision for the amount, in the Books of Account considering the facts.

INVESTMENTS:

Under the head Investment, an amount of Rs. 9,220.10 Lakhs is made in Wholly owned subsidiary company viz. Transgene Biotech HK Limited.

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.

The Management is however trying to recover the lost GDR funds based on the factual documented evidences

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.

As this amount may not be recoverable, as a prudent measure, management made full provision in the books of account considering 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.

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.

➤ 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.

➤ 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.

➤ There are no much significant transactions incurred in this subsidiary company in the financial year ending.





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:



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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

For MANISHA DUBEY & ASSOCIATES

Chartered Accountants

Firm Registration No. 010114S



Manisha Dubey
Proprietor

MRN: 212664

UDIN: 23212664BGZHV9677



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

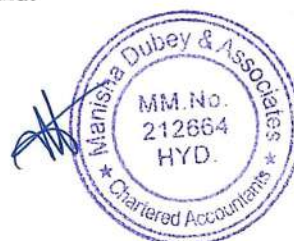
The Board of Directors of the Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control 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 unauthorized 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



Manisha Dubey
Proprietor
MRN: 212664

UDIN: 23212664BGZHV9677

May 30, 2023

The General Manager
Department of Corporate Services – CRD,
Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.

Dear Sir/Madam,

Sub: Declaration regarding Auditor's Report with unmodified opinion.

Scrip Code: 526139

Ref: Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

With reference to the above, we hereby confirm and declare that the Company has received audit report with unmodified opinion for both standalone and consolidated audited financial results of the Company for the financial year ended March 31, 2023 from the statutory auditors, M/s. Manisha Dubey & Associates, Chartered Accountants of the Company (Membership No:212664) vide Independent Auditors Report dated May 30, 2023.

We request you to take the above-mentioned information on your records.

Thanking you,

Yours faithfully,
For TRANSGENE BIOTEK LIMITED



DR K KOTESWARA RAO
CHAIRMAN & MANAGING DIRECTOR