

30th Annual Report 2019-20

*Breaking technology barriers
Bringing smiles on millions of faces*





TRANSGENE BIOTEK LIMITED

BOARD OF DIRECTORS

Dr. K. Koteswara Rao	Chairman & Managing Director
Mrs. Sujana Kadium	Director
Ms. Swetha Marri (From 03-06-2020)	Director
Mr. Santosh Kumar (From 12-11-2019)	Director
Ms. Pardesi Naga Vaishali (Upto12-11-2019)	Director
Mrs. Ankita Jain	Company Secretary
Mr. Chowdari Prasad	Chief Financial Officer

Registered Office

Plot Nos. 69 & 70,
Anrich Industrial Area,
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. Bigshares 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.

These forward-looking statements are dependent on assumptions, data or methods that may be incorrect or imprecise and hence may be incapable of being realised. Such statements are not guaranteed of future operating, financial and other results, but constitute our current expectations based on reasonable assumptions.

The company's actual results could materially differ from those projected in any forward-looking statements due to various future events, risks and uncertainties some of which are beyond our control. We do not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Chairman's speech at the 30th Annual Meeting of the shareholders - 30th September 2020

Good morning ladies and gentlemen,

We are facing a massive task never experienced before with the a pandemic like COVID-19 posing a significant global challenge.

In addition to the grave health concerns, we are seeing a much wider impact on all of our lives and understandably, there is a great sense of unease everywhere. How we respond to this challenge is a test of our character and who we really are.

Resilience, discipline and above all commitment to overcome the challenges demonstrates the inherent strength in these times of crisis. Determination to face the challenges and commitment to complete the tasks against all odds is the stuff that Transgene is made up of. I am sure in the testing times ahead we will continue to face these challenges head-on and will have the opportunity to demonstrate our mettle.

It is in this context that I address you on behalf of our Board of Directors, our scientists, our employees, bankers and supporting staff.

First and foremost, we would like to thank you for your continued trust and belief in our ability to stand up in spite of monumental challenge that the Covid crisis has thrown upon us as in case of millions of others. Your trust and belief in us make all the difference.

To a company choking with SEBI imposed restrictions paralysing most of its activities, Covid pandemic has added its part to choke it further. It is the resilience, patience and courage that has driven the management not to be disheartened or discouraged but to pursue the path of duty and righteousness. It is that resilience that raised prospects of Transgene reinvigorating itself against all adds that will light up glory for all to witness in the coming days.

TrabiORAL™ - "Comfort, Convenience & Compliance "

Coming to operations at Transgene, the timing of Covid pandemic could not be more cruel in its impact on the planned studies on TrabiORAL, a study that we are all waiting for. It is a script full of ups and downs filled with excitement and disappointments as probably the case with many innovations. Studies that were to be carried out by a large global company were postponed at the very last minute due to circumstances beyond our control. It has been a huge disappointment for the team at Transgene for postponement of those studies.

TrabiORAL has evolved into a unique technology platform waiting to demonstrate its utility in diverse clinical conditions with a potential to transform global injectable portfolio with a slogan **"Comfort, Convenience and Compliance"**, three vital pillars in any drug delivery. In case of TrabiORAL it embodies all three vital elements in transforming hitherto possible only through an injectable route into a comfortable and convenient form of oral liquid or tablet that makes a person to be compliant in taking that medication without fear. It is to transform the world of injectable diabetic drugs, vaccine and even cancer drugs thereby avoiding the need for hospitalization.



Monetization process for TrabiORAL has already started waiting for the results on studies conducted on two diabetic molecules that will enable the management to conclude monetary terms in the relevant clinical area. The management plans to move ahead with monetization on other clinical segments too in the days ahead.

Transgene is ready to move with swiftness on other technologies too which are lying dormant, an exciting portfolio that remains even to this day on the frontiers of biological sciences.

I, on a personal front, am looking forward to passing on this baton though we could not succeed to do so in spite of vigorous efforts during the last year. Greater clarity may emerge after monetization of TrabiORAL and possibly after addressing the SEBI imposed restrictions adequately.

I want to close by thanking Transgene's employees for the way they have responded to Covid pandemic in recent months. They have all worked in spite of Covid pandemic even under lockdown conditions whenever permissible, many times going far beyond the call of duty. They have been a credit to the company during this crisis, just as they have been in support of our plans for reinventing Transgene.

And finally, I once again thank our shareholders and we are grateful for your continuing faith in our company.

In the weeks, months and years to come, we seek to repay that faith – by transforming the world's injectable arena into a more acceptable oral liquid dosage form and providing more solutions by breaking scientific barriers.

Thank you.

(K. Koteswara Rao. Dr)
Chairman, Transgene Biotek Ltd

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Notice for AGM - 2019-20



TRANSGENE BIOTEK LIMITED

Notice is hereby given that the Thirtieth (30th) Annual General Meeting of the Members of M/s. TRANSGENE BIOTEK LIMITED will be held on Wednesday, 30th September, 2020 at 11.00 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 Balance Sheet as at 31st March, 2020 including the audited Balance Sheet as at March 31, 2020, Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report thereon.

2. RE-APPOINTMENT OF DIRECTOR

To appoint a Director in place of Ms. Sujana Kadiam who retires by rotation and being eligible offers herself for re-appointment.

3. APPOINTMENT OF AUDITORS

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

“ **RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), the Company hereby ratifies the appointment of **M/s. Manisha Dubey & Associates**, Chartered Accountants as Statutory Auditors of the Company made pursuant to the resolution passed by the members at the 29th Annual General Meeting of the company held on 24th September 2019 until the conclusion of the 30th Annual General Meeting, be and are hereby ratified to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the 31th Annual General Meeting of the Company to be held in the year 2021 to examine and audit the accounts of the Company for the Financial Year 2020-21 at such remuneration to be fixed by the Board of Directors 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. APPOINTMENT OF INDEPENDENT DIRECTOR

To approve and confirm the appointment of MR SANTOSH KUMAR as Independent Director of the company

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 Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Sri. Santhosh Kumar (DIN:08658555) who was appointed as an additional director of the Company, categorized as an Independent, Director by the Board of Directors with effect from 12th November, 2019, in terms of Section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013, proposing Sri. Santhosh Kumar (DIN:08658555) for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 3 years with effect from 12th November, 2019, not liable to retire by rotation.

6. APPOINTMENT OF INDEPENDENT DIRECTOR

To approve and confirm the appointment of Ms SWETHA MARRI as Independent Director of the company

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 Section 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms.Swetha Marri (DIN:08754103) who was appointed as an additional director of the Company, categorized as an Independent, Director by the Board of Directors with effect from 03rd June, 2020, in terms of Section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013,



proposing Ms.Swetha Marri (DIN:08754103) for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of 3 years with effect from 03rd June, 2020, not liable to retire by rotation.

7. LICENSING AGREEMENT OF TRABIORAL TECHNOLOGY WITH GVK-BIO

To consider and if thought fit, as provided in the explanatory notes to this item, to pass the following resolution with or without modification(s) as a Ordinary Resolution:

“RESOLVED THAT the Consent of the Shareholders is hereby accorded for the execution and signing of the Definitive Licensing Agreement to be entered into between the Company and GVK Biosciences Pvt Ltd.”

“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 Definitive Licensing Agreement and Power of Attorney”.

“RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed and stamped on the Definitive Licensing Agreement 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.”

8. RESTRUCTURING PROMOTER’S SHAREHOLDING

To consider and if thought fit, as provided in the explanatory notes to this item, to pass the following resolution with or without modification(s) as a Special Resolution:

" RESOLVED THAT in accordance with Regulation 3IA of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities as may be necessary, the consent of the shareholders be and is hereby accorded to reclassify the following persons forming part of the Promoter Group.

Name of the Shareholders	No of shares held	% of the paid up capital
Mrs. Nirmala Kollipara	1192000	1.57 %
Mr. Srinivas Kollipara	24000	0.03 %
Dr. Koteswara Rao Kollipara	15211902	20.07 %
TOTAL	16427902	21.68

“RESOLVED FURTHER THAT re-classification of promoters shall be subject to the following conditions:



- a) Such promoter shall not directly or indirectly exercise control over the affairs of the entity.
b) The event of re-classification shall be disclosed to the stock exchange as a material event in accordance with the provisions of these regulations.”

“RESOLVED FURTHER THAT after such reclassification following shall be the Promoters of the Company

Name of the Shareholders	No of shares held	% of the paid up capital
Dr. Koteswara Rao Kollipara	16427902	21.68

“RESOLVED FURTHER THAT on approval of the SEBI Board/ Stock Exchanges upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions. “

“RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary or the Compliance Officer or such other person as authorized by the Board, be and is hereby authorized to submit application for reclassification to the SEBI Board, Stock Exchanges wherein the securities of the company are listed or any other regulatory body as may be required and to take such steps expedient or desirable to give effect to this resolution.

By the Order Of the Board
For TRANSGENE BIOTEK LIMITED

Sd/-

PLACE: HYDERABAD
DATE: 24.08.2020

Dr. K. KOTESWARA RAO
CHAIRMAN & MANAGING DIRECTOR



NOTES FOR MEMBERS:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being proposed to be held pursuant to the said MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not attached to this Notice.

3. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate etc. In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. Bigshare Services. Private Limited, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Rd, Somajiguda, Hyderabad, Telangana 500082 by enclosing a photocopy of blank cancelled cheque of your bank account.

4. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. M/s. Bigshare Services. Private Limited, 306, Right Wing, 3rd Floor, Amrutha Ville, Opp. Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad, Telangana - 500082 are the Registrar & Share Transfer Agents (RTA) of the Company. All communications in respect of share transfers dematerialization and change in the address of the members may be communicated to the RTA.

5. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.

6. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.

7. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility. Members holding shares in dematerialized



form may contact their respective depository participant(s) for recording nomination in respect of their shares.

8. Members seeking any information or clarification on the accounts are requested to send their queries to the Company, in writing, at least one week before the date of the meeting. Replies will be provided in respect of such written queries at the meeting.

9. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular Ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.

10. Members may also note that the Notice of the 30th Annual General Meeting is available on the Company's website: www.transgenebiotech.com. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at cs@transgenebiotech.com. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. Members may note that the Notice and the 30th Annual Report 2019-20 will also be available on the Company's website at www.transgenebiotech.com on the website of the Stock Exchange i.e. BSE Limited and at www.bseindia.com respectively, and on the website of CDSL www.evotingindia.com. To support 'Green Initiative', members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/ their Depository Participants in respect of shares held in physical/electronic mode, respectively.

E-VOTING

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus 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 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 MCA Circulars 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 Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 30 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 to atleast 1000 members on 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 ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM is being uploaded on the website of the Company at www.transgenebiotech.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively. The 30th AGM Notice is also hosted on the website of CDSL (agency for providing the e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com

7. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) **The voting period begins on Sunday, September 27, 2020 at 09.00 hrs and ends on Tuesday, September 29, 2020 at 17.00 hrs.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 23, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



(ii) Board of Directors have appointed **Ms. Geeta Serwani**, Practising Company Secretary, to act as Scrutinizer to conduct and scrutinize the electronic voting process in connection with the ensuing Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

(iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iv) The shareholders should log on to the e-voting website www.evotingindia.com.

(v) Click on “Shareholders” module.

(vi) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

(vii) Next enter the Image Verification as displayed and Click on Login.

(viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(ix) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
<i>PAN</i>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</p>
Divided – Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

(x) After entering these details appropriately, click on “SUBMIT” tab.



TRANSGENE BIOTEK LIMITED

(xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN No. 200824042 for the relevant Company, i.e., Transgene Biotech Limited on which you choose to vote.

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xx) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like 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 Company Secretary at cs@transgenebiotech.com



2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), 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 the Company Secretary at cs@transgenebiotech.com

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders 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/ask questions during the meeting may register themselves as a speaker by sending their request advance atleast **05 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (cs@transgenebiotech.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **05 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (cs@transgenebiotech.com). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING 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 shareholders, who are 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 available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM



TRANSGENE BIOTEK LIMITED

and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders 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.

(xxi) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; (cs@trasgenebiotek.com) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.



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	Ms. Sujana Kadium (DIN: 07167872)
Date of Birth	06-02-1983
Date of Appointment	17-04-2015
Qualification	Post Graduate
Expertise	HR Professional
Other directorship	PFL INFOTECH LIMITED CIN : L72200TG1993PLC007005
Chairman/Members of the Committee in other Companies	None
No of shares held in the Company	None

(ii)

Name of Director	Dr. K. Koteswara Rao (DIN : 02287235)
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	None
Chairman/Members of the Committee in other Companies	None
No of shares held in the Company	15,211,902

**TRANSGENE BIOTEK LIMITED****(iii)**

Name of Director	Mr. Santhosh Kumar (DIN:08658555)
Date of Birth	08-03-1983
Date of Appointment	12-11-2019
Qualification	MBA FINANCE
Expertise	Banking Accounts & Finance
Other directorships	None
Chairman/Members of the Committee in other Companies	None
No of shares held in the Company	None

(iv)

Name of Director	Ms. Swetha Marri (DIN: 08754103)
Date of Birth	05-04-1994
Date of Appointment	03-06-2020
Qualification	MBA FINANCE
Expertise	Banking Accounts & Finance
Other directorships	None
Chairman/Members of the Committee in other Companies	None
No of shares held in the Company	None

BY ORDER OF THE BOARD

Date: 24-08-2020
Place: Hyderabad

Sd/-
DR K KOTESWARA RAO
CHAIRMAN & MANAGING DIRECTOR



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

ITEM NO. 4

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

As informed at the last Annual General Meeting of the company Dr. K. Koteswara Rao expresses his wish to resign as Managing Director of the company due to his ongoing health reasons and his advancing age. However, with due consideration to finding a suitable replacement proven to be a challenging task at this juncture of the company, the Board of Directors requested Dr K. Koteswara Rao once again to continue as Managing Director till a suitable person is appointed to the post of Managing Director.

ITEM NO. 5

The Board of Director, on recommendation of nomination and remuneration committee appointed Sri. Santhosh Kumar (DIN:08658555) as an additional director categorized as Independent Director on the Board of the Company w.e.f. 12th November, 2019. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Sri Santhosh Kumar holds office upto the date of this 30th Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to three years. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose him as candidate for the office of Director of the Company.

The Company has also received from Sri Santhosh Kumar consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 , II) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules 2014 to the effect that he is not disqualified as per Section 164(2) of the Companies Act 2013 and III) a declaration to the effect that he meets the criteria of independence as provided under section 149 of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In the opinion of the Board, Sri Santhosh Kumar fulfil the conditions for appointment of Independent Director as specified in the Companies Act 2013 and Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and is independent of the management.

The profile and other details of Sri Santhosh Kumar is set out here in the notice.

The Board of Directors recommend the resolution set out at Item No 5 of this Notice for your approval.

**ITEM NO. 6**

The Board of Directors, on recommendation of nomination and remuneration committee appointed, Ms. Swetha Marri (DIN: 08754103) appointed as an additional director categorized as Independent Director on the Board of the Company w.e.f. 03rd June, 2020. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Ms. Swetha Marri holds office upto the date of this 30th Annual General Meeting and is eligible to be appointed as an Independent Director for a term up to three years. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member signifying their intention to propose him as candidate for the office of Director of the Company.

The Company has also received from Ms. Swetha Marri consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 , II) Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules 2014 to the effect that he is not disqualified as per Section 164(2) of the Companies Act 2013 and III) a declaration to the effect that he meets the criteria of independence as provided under section 149 of the Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

In the opinion of the Board, Ms. Swetha Marri fulfil the conditions for appointment of Independent Director as specified in the Companies Act 2013 and Rules framed there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and is independent of the management.

The profile and other details of Ms. Swetha Marri is set out here in the notice.

The Board of Directors recommend the resolution set out at Item No 6 of this Notice for your approval.

None of the Directors, Key Managerial personnel and relatives thereof have any concerns or interest, financial or otherwise in the resolution as set out in the Item No 6 of the Notice.

ITEM NO. 7

TrabiORAL as it emerged today, is a result of nearly two decades of dedicated work on this technology facing several challenges. However, out-licensing it or even finding a strategic partner for monetizing it is proving to be more challenging than its development. After several attempts and different hurdles to overcome, it is felt prudent that alliance with a reputed company having necessary infrastructure to address series of challenges posed by the prospective in-licensing partners, will provide Transgene with necessary support. In doing so, it is felt that GVK-Bio's global reach, its own large client base and its technical and financial infrastructure provides Transgene an accelerated platform in out-licensing or in finding a strategic partner that realizes the full potential of TrabiORAL.

It is with the above objective for monetization of TrabiORAL it is felt desirable to enter into a Licensing Agreement with GVK-BIO while retaining the full technology and IP rights with Transgene only.



GVK BIO is a global Contract Research & Development Organization (CRDO) employing more than 2500 highly qualified scientists with modern facilities undertaking several processes including Drug Discovery and Development services to the global biopharma industry. It is a company possessing a team of professionals with strong customer-centric partnering approach. This infrastructure of both physical and customer centric approach is the one that is of benefit to Transgene in monetizing TrabiORAL effectively.

ITEM NO. 8

Dr. K. Koteswara Rao, main promoter of the company has brought to the notice of the board that his wife Mrs. Nirmala and his son Mr. K. Srinivas have expressed their desire to part with their entire shareholding in the company with immediate effect and are willing to transfer those shares to the account of Dr. K. Koteswara Rao. Therefore, Dr. K. Koteswara Rao expressing his willingness for such a transfer requested that the shareholders approve and pass appropriate resolution for restructuring the Promoter's shareholding

*Breaking technology barriers
Bringing smiles on millions of faces*



DIRECTORS REPORT

2019-20

**DIRECTORS REPORT**

Dear Shareholders

Your Directors submit to you the 30th Annual Report on the business & operations of the Company and Audited Statement of Accounts for the year ended 31st March, 2020 along with the Auditor's Report thereon.

Financial Results

(Rs. in Lakhs)

Particulars	2019- 2020	2018-2019
Total Income	18.25	210.90
Operational, Administration and other expenses	86.72	75.69
Gross Operating Profit	-68.47	135.80
Interest and Financial Charges	38.05	25.05
Forex Gain/Loss	-	-
Depreciation	989.69	989.42
Profit before Tax/Loss	(1096.22)	(879.27)
Provision for Tax	-	-
Net Profit/Loss	(1096.22)	(879.27)

OPERATIONS

The total turnover of the company for the year ended 31st March, 2020 amounted to Rs. 18.25 Lakhs as against Rs. 210.90 Lakhs in the previous year. The company incurred a net Loss of Rs. 1096.22 Lakhs for the year as against a loss of Rs. 879.27 Lakhs in the previous year. As can be noticed, the management continued to revise books of accounts and has written off certain accounts wherever possible after following the standard accounting policies of India and in consultation with the auditors. This revision has resulted in increased operating loss from the previous year.

AUDITORS' COMMENTS

The operations in the Subsidiary are being shut down for more than three 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 24th August, 2020.



Review and results of operations

a) TrabiORAL™

The platform TrabiORAL™ developed by Transgene over a period of nearly two decades has proven to be sound, safe and effective from various studies conducted so far on different molecules of varying sizes. The architecture of TrabiORAL™ is based on its novel ligand and the presence of its receptors.

TrabiORAL™ has succeeded in meeting its primary objective of enhancing bioavailability of the chosen molecule. This unique patented technology has demonstrated not only its clinical efficacy but also its **uniqueness of bio-availability profile comparable to that of injected route.**

TrabiORAL™ has unequivocally demonstrated its versatility in the oral delivery of molecules of different sizes ranging between 5.8 kD to 150 kD apart from its versatility in delivering single or multiple protein/peptide moieties simultaneously covering wide ranging clinical applications such as diabetes, Oncology, Vaccines, IBD etc.

TrabiORAL™ is protected by a series of patents covering countries such as USA, France, Germany, Britain, Italy, Australia, Japan etc.

b) SEBI order

After a prolonged and a relatively unsuccessful campaign on GDR matter, the company and its Directors past and present have acknowledged an order passed by SEBI dated 28th August 2019 delivered on 13th September 2019.

Aggrieved by some of the terms imposed in the said order with special reference to Item 49 a:

“49. In view of the above, I, in exercise of the powers conferred upon me under Sections 11(1), 11(4) and 11B of the SEBI Act, 1992 read with Section 19 of the SEBI Act, 1992, hereby direct as under:

a. Transgene Biotech Limited (Noticee no. 1) shall continue to pursue the measures to recall the outstanding amount of \$ 38.5 million and bring the money back into TLB's bank account in India within a period of one year from the date of this order. It is clarified that Noticee Nos. 2, 4 and all other present directors of TBL shall ensure the compliance of this direction by TBL, and furnish a Certificate from a peer reviewed Chartered Accountant of ICAI along with necessary documentary evidences to SEBI, certifying the compliance of this direction.”

the management of Transgene has filed an appeal at SAT unsuccessfully.

Not waiting for the outcome of continued efforts at different forums including Hon'ble High Court of Telangana, efforts have been continuing for recovery of lost GDR funds. A certificate from a peer reviewed Chartered Accountant has been submitted to SEBI in abeyance to the order passed by SEBI delivered to us on 18th September 2019.



c) SEBI Adjudication hearing

The lawyers on behalf of Sri. L. S. Shetty & Associates have presented the case at the hearing of SEBI Adjudication Officer, Mrs. Anita Anoop held on 5th February 2020.

In the meantime, we were informed that our case filed at Hon'ble High Court of Telangana with an appeal for suspension of the proceedings at SEBI adjudication came up for hearing in April 2020 (through on-line video hearing) and the Counsel for SEBI sought time till the end of May for responding to our claims. The case has not come up for hearing as on this date.

Pertaining to the recovery of GDR funds, the legal teams in London and Switzerland are still pursuing to recover the funds but not yet reached a conclusive stage.

Employee: As stated above, with limited resources the management has been judiciously maintaining required strength of employees to continue its operations without any interruption. It is commendable on the part of our employees for their dedication and hard work throughout the challenging period at the company from different angles.

DIVIDEND

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

STRATEGIC FOCUS AND FUTURE ORIENTATION:

It is unfortunate that adding an insult to the injury while battling the GDR related issues, Covid has thrown an additional punch in terms of planned pre-clinical studies by different companies in Europe and USA postponing the studies on their molecules using TrabiORAL platform. However, we still managed to conclude one study on two different peptide molecules in the month of July 2020 and results of that study are awaited.

On successful monetization of TrabiORAL, it is planned to reactivate miRNA and AAV technologies etc that comprises gene therapies also, an area of tremendous opportunities on which Transgene has been working on since 2005 onwards.

It is indeed somewhat disheartening for the management's inability in mobilizing required resources in developing vaccine and a therapeutic drug against Covid-19 competing with the rest in that sector across the globe.

Even in the case of our pursuit for recovery of GDR funds our efforts have been met with major blockade due to global lockdown. However, we are determined not to ease our efforts in that pursuit since the management strongly believes being unfairly treated on the GDR matter apart from severely impacting the opportunities and progress of the company.

Subsidiary Company - Transgene Biotek HK Limited

With revelation of new findings in the GDR fraud from the statements provided by some of



those associated with GDR offerings, we have been pursuing on those individuals and entities. It is noteworthy that those revelations of crucial information by one of the persons operating from Singapore to the Monetary Authority of Singapore during the course of investigation lead to Transgene Biotek HK Ltd not being audited for the current year 2019-20 too. However, the management is seeking the opinion of few experts in this regard as to exact course of action to be initiated on the prospects of closing this company altogether.

However, 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. 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”**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The global economy in Calendar Year (‘CY’) 2019 has seen one of the slowest growth rates since the 2008 financial crisis. The biggest calamity was the outbreak of coronavirus in the beginning of CY 2020, which grew from a local problem in China to a global pandemic in a matter of weeks in early CY 2020. Lockdowns in most of the affected countries saved lives but were a huge blow to economic activities and the impact will be felt for a long time to come. To counter the losses and prevent a complete economic breakdown, governments and central banks around the world have unleashed unprecedented amounts of fiscal and monetary support. Nonetheless, warning of a recessionary effect was issued by top analysts. Following the Covid-19 outbreak, India implemented one of the strictest nationwide lockdowns in the world early on, in order to keep the infection numbers under control.

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report as **“Annexure B”**.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

The Company has a strong legacy of fair, transparent and ethical governance practices and it believes that good Corporate Governance is essential for achieving longterm corporate goals and to enhance stakeholders’ value. In this pursuit, the Company’s philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last.

Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. As a good corporate citizen, the Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and



Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable [including relaxations granted by the Securities and Exchange Board of India ('SEBI') in the wake of Covid-19], with regard to Corporate Governance and the same is disclosed in this Report.

Your Company has taken adequate steps to adhere to all the stipulations laid down in under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as part of this Annual Report as "**Annexure – C**".

Certificate from the Statutory Auditors of the company M/s. Manisha Dubey & Associates, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as Stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included as part of this report as "**Annexure D**"

DEMATERIALISATION OF SHARES

86.21% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2020 and balance 13.79% 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 6 (Six) times during the financial year from 1st April, 2019 to 31st March 2020 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 on the basis of 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 on the basis of 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 19-20 the independent Directors met Six (6) times i.e. on 24th May 2019, 14th August 2019, 28th August 2019, 12th November 2019, 04th February 2020 and 04th March 2020. 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

Ms Sujana Kadiam, Independent Director, of the Company retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr Santosh Kumar was appointed as an Additional Independent Director w.e.f. 12th November 2019, and holds office till the date of the ensuing Annual General Meeting and eligible for reappointment as an Independent Director.

Smt. Swetha Marri was appointed as an Additional Independent Director w.e.f. 03rd June 2020, and holds office till the date of the ensuing Annual General Meeting and eligible for reappointment as an Independent Director.



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 31st March, 2020, 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 of principal or interest on deposits 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.



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.

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 – E"**



TRANSGENE BIOTEK LIMITED

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 |

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.

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

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

PLACE: HYDERABAD
DATE: 24.08.2020

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



“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 2019-20.

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 st April 2019 to 31 st March 2020
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. 75.325
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



“ANNEXURE B”

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 drug delivery technologies and opportunities

Pharmaceutical drug delivery technologies enhance drug absorption, efficacy, and patient experience. The main routes of drug delivery are oral, injection/infusion, and transdermal. When combined with appropriate targeting moieties, drug-coated nanoparticles, drug-encapsulating liposomes and nanotubes, and tree-like dendrimers enable organ and tissue targeting.

The use of nanotechnology in medicine and more specifically drug delivery is set to spread rapidly. Currently many substances are under investigation for drug delivery and more specifically for cancer therapy. A host of new delivery platforms is in development, some of which have recently reached the market. The primary goal of these developments is to create systems that optimize a drug's therapeutic value, but it's also believed that finding better ways to get a drug into a patient's system in a safer and more consistent way will lead to better compliance and outcome. Additionally, it's estimated that up to 50 percent of new drugs can't be taken orally, so the impetus to create innovative delivery platforms is strong and growing.

TrabiORAL™

During the last two years TrabiORAL has emerged as one of the most exciting technology platforms on a global scale demonstrating its versatility in delivering different molecules of different sizes ranging from 4.8 kD – 150 kD. It has demonstrated excellent bio-availability and efficacy in various pre-clinical studies. This successful demonstration of its efficacy and versatility has prompted Transgene's management to knock on the doors of various global pharma majors resulting in active dialogue for monetization of TrabiORAL covering different clinical areas.

(b) Emerging Gene therapy technologies and opportunities

One of the most revolutionary advances in this new era is cell and gene therapy. At its most basic definition, gene therapy (also called human gene transfer) is the therapeutic delivery of nucleic acid into a patient's cells as a drug to treat disease. Gene therapy is the unique technique that uses gene to prevent or recover any diseases. The genuine, almost unprecedented potential for cell and gene therapy cannot be understated. For the first time,



people are talking about curing these ruthless, relentless diseases. In a way never before possible, we are taking control of and harnessing the patient's own immune system to fight these cancers.

The game changer here is that cell and gene therapy use the body's own systems, either the cellular immune system or the ability to repair and replace defective or missing genes. CAR-T cell therapy is arguably among the most personalized medicines one can consider. The patient's own T cells are extracted, modified, activated, expanded, purified and returned to the patient.

The promise of personalized medicine has been held out for a long time, and now we're actually beginning to see real, tangible effects from decades of research into the genetics of the human genome and cancer, giving us an understanding of how the disease develops and how patients respond.

Several aspects of current research is focused on gene therapy, including: i) replacing a mutated gene that causes disease with a healthy gene; ii) 'knocking out' or inactivating, a mutated gene that is functioning improperly; and iii) introducing new genes into the cells to protect from any diseases.

The gene delivery systems consist of the three components such as a plasmid-based gene expression system that controls the function of a gene within the targeting cell, a gene that encodes a specific therapeutic protein, and a gene delivery system that controls the delivery of the gene expression plasmid to specific location within the body. The successful gene delivery system requires the foreign genetic molecule to remain stable within the host cells.

Viruses mediated gene delivery systems utilize the ability of virus to inject their DNA inside host cells. Viruses used for gene delivery systems include retrovirus, adenovirus, adeno-associated viruses, and herpes simplex viruses.

Viral vectors based on DNA for gene delivery are usually longer lasting and integrating into the genomes. DNA-based viral vectors are lentivirus, poxvirus, adenovirus, adeno-associated virus, retrovirus, human foamy virus (HFV) and herpes virus. DNA-based viral vectors for gene delivery systems utilize the viral vectors to deliver genetic materials to the host cells. The viral vectors are efficient for delivering the genetic materials to the host cells. The DNA-based viral vectors for the gene delivery systems include plasmids containing transgenes for gene therapy. Although the DNA-based viral vectors are in early stages of clinical trials, the class of materials has been emerged to yield extremely promising candidate of gene delivery systems for gene therapy in the wide range of diseases including cancer, AIDS, neurological disorders such as Parkinson's and Alzheimer's diseases, and cardiovascular disorders.

Gene Therapy - Perspectives and opportunities for Transgene

There has been a resurgence in gene therapy efforts that is partly fueled by the identification and understanding of new gene delivery vectors. Adeno-associated virus (AAV) is a non-enveloped virus that can be engineered to deliver DNA to target cells, and has attracted a significant amount of attention in the field, especially in clinical-stage experimental therapeutic



strategies. The ability to generate recombinant AAV particles lacking any viral genes and containing DNA sequences of interest for various therapeutic applications has thus far proven to be one of the safest strategies for gene therapies.

Adeno-associated virus (AAV) is one of the most actively investigated gene therapy vehicles. It was initially discovered as a contaminant of adenovirus preparations, hence its name. Simply put, AAV is a protein shell surrounding and protecting a small, single-stranded DNA genome of approximately 4.8 kilobases (kb).

Transgene's recombinant AAV delivery vector has already been granted USA patent in 2015 for the treatment of Hepato-Cellular cancer. With extensive knowledge and experience on viral vectors, in particular AAV, Transgene is at poised to grab the emerging opportunities in gene therapies and gene editing technologies.

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 highly promising considering the emerging prospects for TrabiORAL in its wide and diverse application covering various clinical segments such as Diabetes, Cancer and Vaccine areas.



“ANNEXURE C”

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 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 imbibed 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, 2020 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	6	Yes	None
Ms. Pardesi Naga Vyshali	Non-executive Independent	2	No	None
Mrs. Sujana Kadium	Non-executive Independent	6	Yes	One
Mr. Santosh Kumar	Non-executive Independent	2	No	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 6 (Six) times during the last financial year ended on 31st March 2020. These meetings were held on 24th May 2019, 14th August 2019, 28th August 2019, 12th November 2019, 04th February 2020 and 04th March 2020. 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, 2020.

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 Kadiam is Chairman of the Audit Committee, while Ms. Pardesi Naga Vyshali was during her period as Director and later taken over by 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 6 (Six) times during the last financial year ended on 31st March 2020. These meetings were held on 24th May 2019, 14th August 2019, 28th August 2019, 12th November 2019, 04th February 2020 and 04th March 2020.

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

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
Mrs. Sujana Kadium	6
Ms. Pardesi Naga Vyshali	2
Dr. K. Koteswara Rao	6
Mr.Santosh Kumar	3

7. SHARE TRANSFER COMMITTEE

The Stakeholders Relationship Committee comprising Dr K Koteswara Rao and Ms.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. Pardesi Naga Vyshali	None	10,000/-	0	10,000/-
Ms. Sujana Kadiam	None	30,000/-	0	30,000/-
Mr.Santosh Kumar	None	10,000	0	10,000
Total		50,000/-	0	50,000/-

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.
- As reported during the last annual report, the management filed an appeal to the Hon'ble High Court of Telangana against TSSPDCL for deration of power and to refund the de[posit the amount of Rs. 8,05,731/- paid towards wrongfully claimed short-billing. Following the order passed by the Hon'ble High Court of Telangana with a direction for us to approach Consumer Redressal Forum for recovery of funds paid already we are waiting for the date of hearing at the Consumer Redressal Forum. Further, TSSPDCL has derated the power as directed by the Hon'be High Court. WE are waiting for the outcome of the petition at Telangana Consumer Redressal Forum.
- 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. The management has presented a proposal for repayment to SBIRI/BIRAC along with payment of Rs.20 Lakhs with balance amount in 8 equal yearly instalments.
- 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 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.

11. AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

SHAREHOLDERS' INFORMATION

A	Registered Office	Plot No. 69 & 70 IDA Bollaram, Sangareddy District. TS.
B	Annual General Meeting	
	Date & Time	30 th September 2020 at 11.00 AM
C	Financial Calendar	
	Financial Reporting for	
	Quarter ending June 30, 2019	14 th August 2019,
	Quarter ending September, 30 2019	14 th November 2019
	Quarter ending December, 31 2019	14 th February 2020
	Quarter ending March 31, 2020	24 th May 2020
	Annual General meeting for FY ended 31 st March 2020	30 th September 2020
D	Date of Book Closure	26 th September 2020 to 29 th September 2020
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,



TRANSGENE BIOTEK LIMITED

		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 31st March 2020		
Share Holder or Debenture Holding of nominal Value of Rs.		Share Holder or Debenture Holding of nominal Value of
Rs.		Number
		% of Total
		Share / Debenture Amount
		Number
		% of Total
(1)		(2)
		(3)
		(4)
		(5)
Upto - 5000		6590
		61.44
		1154733
		1.52
5001 - 10000		1287
		11.99
		1134432
		1.49
10001 - 20000		909
		8.48
		1488020
		1.96
20001 - 30000		415
		3.87
		1098279
		1.44
30001 - 40000		220
		2.06
		800572
		1.06
40001 - 50000		295
		2.75
		1420990
		1.88
50001 - 100000		426
		3.97
		3320297
		4.39
100001 and above		584
		5.44
		65352677
		86.26
TOTAL		10726
		100.00%
		75770000
		100%
N	Dematerialisation of shares and liquidity	As on 31 st March, 2020 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.
O	Particulars of Past Three AGMs	
AGM	Year	Venue
29 th	2019	ICSI Centre of Excellence, Survey No. 1, UDA Uppal, Genpact Software Company Road, Uppal, Hyderabad 500 039, Telangana
		30 th September 2019
		11.00 A.M.
28 th	2018	501, SMART PRO, Prashanti Ram Towers, Ameerpet, Hyderabad, TS
		20 th December 2018
		11.00 A.M.

27 th	2017	Plot No. 68, 69, & 70 Anrich Industrial Area IDA Bollaram, Medak District, TS	30 th September 2017	11.00 A.M.
P	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.		
Q	Nominati on 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: 31.03.2020

Sl. no	Category	No. of Shares held	Percentage Of Shareholding
(a)	Promoter's Holding		
1	Promoters <u>Indian Promoters:</u>	16427902	21.68%
	<u>Foreign Promoters:</u>	NIL	NIL
2	Persons acting in concert		
	Sub-Total	16427902	21.68%.
(b)	Public Share Holding – Institutions		
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)	897	0.00
6	Foreign Institutional Investor	NIL	NIL
	Sub-Total	0	0
	Public Share Holding – Non-Institutions		
7	Others		
a.	Private corporate Bodies	941603	1.24%
b.	Indian Public	51175267	67.54
c.	NRIs/OCBs	897691	1.18%
d.	Any other (Clearing Member)	55970	0.07%
e.	GDR	6270000	8.28
F	Trusts	670	0.00
	Sub-Total	59342098	78.32
	Grand Total	75770000	100.00 %



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: 08458-279744

Email: info@transgenebiotek.com



DIRECTORS RESPONSIBILITY STATEMENT

1. We were informed in December 2019 that the concerned authorities at CESTAT have been attempting to get the stay order at TS High Court vacated for enabling the case to be reopened but no further progress in this matter has been reported as on this date.

2. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2020 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

PLACE: HYDERABAD
DATE: 24-08-2020

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

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, 2020.

By the Order Of the Board
For TRANSGENE BIOTEK LIMITED

PLACE: HYDERABAD
DATE: 24-08-2020

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



“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 31st 2020**. 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, 2020.

We state that such compliance is neither an assurance as to the future viability of the Company nor 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: 24-08-2020

UDIN:20212664AAAACX4412



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, 2020**, 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: 24-08-2020

ANNEXURE -E



GEETA SERWANI & ASSOCIATES
PRACTICING COMPANY SECRETARY
401, 10-3-171, Sri Ranga Appartments, 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, 2020

[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** (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, 2020** 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, 2020** 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)
 - (b) irRegulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requeuments) Regulations, 2009; **Not Applicable**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines , 1999; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
 - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable**
 - (h) 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 No. 30 and 47, the company has not given the public notices to publish the information in the newspaper

4. As per SEBI (LODR) Regulations, 2015 – Regulation No. 23, 30, 34, 46, the information's are not available /updated on the website of the company.

5. 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.

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/-
(GeetaSerwani)
Proprietor
FCS: 8991
COP: 8842
Place : Hyderabad
UDIN - F008991B000611087

Date : 24-08-2020

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,
M/s. Transgene Biotech Limited (CIN: L85195TG1990PLC011065)

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.
2. I have followed the audit practices and processes 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 reflected in Secretarial records. I believe that the processes 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. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Geeta Serwani & Associates
(Practicing Company Secretary)

Sd/-
(GeetaSerwani)
Proprietor
FCS: 8991
COP: 8842
Place : Hyderabad

Date : 24-08-2020

**ANNEXURE - F****Form No. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH 2020**

[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:

i.	CIN	L85195TG1990PLC011065
ii.	Registration Date	01-03-1990
iii.	Name of the Company	TRANSGENE BIOTEK LIMITED
iv.	Category / Sub-Category of the Company	Company Limited by shares and Indian Non-Government Company
v.	Address of the Registered office and contact details	Plot No. 69 & 70, Anrich Industrial Area, Bollaram, Sangareddy District
vi.	Whether listed company	Yes
vii.	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 2019-20 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	29



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Dem at	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
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):-									
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	NIL
h) Other-Individuals	0	0	0	0	0	0	0	0	NIL
i)Bodies Corp.	0	0	0	0	0	0	0	0	NIL
j)Banks / FI	0	0	0	0	0	0	0	0	NIL
k) Any Other....	0	0	0	0	0	0	0	0	NIL
	0	0	0	0	0	0	0	0	NIL
Sub-total (A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	NIL
b) Banks / FI	220000	7,400	2,27,400	0.30	897	0	897	0.00	(0.30)
c) Central Govt	0	0	0	0	0	0	0	0	NIL
d) State Govt(s)	0	0	0	0	0	0	0	0	NIL
e) Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
f) Insurance Companies	0	0	0	0	0	0	0	0	NIL
g) FIs	0	0	0	0	0	0	0	0	NIL
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	NIL
i) Others (specify)	0	0	0	0	0	0	0	0	NIL
	220000	7,400	2,27,400	0.30	897	0	897	0.00	(0.30)
Sub-total (B)(1)									
2. Non Institutions									
a) Bodies Corp. (i) Indian (ii) Oversea	2100799	0	2100799	2.77	941603	0	941603	1.24	(1.53)
b) Individuals									
(i) Individual									

shareholders holding nominal share capital upto Rs. 2 lakh	13475614	140984	13616598	17.97	12266456	147684	12414140	16.38	(1.59)
(ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	35884594	319950	36204544	47.78	36532707	196871	36729578	48.48	0.70
c) Others (Specif y) Resident Indians	786909	0	786909	1.04	897691	0	897691	1.18	0.14
ii) Clearing Members	135178	0	135178	0.18	55,970	0	55970	0.07	(0.11)
iii) Trusts	670	0	670	0	670	0	670	0.00	0
iv) HUF					2031549	0	2031549	2.68	2.68
Sub-total (B)(2)	52383764	460934	52844698	69.74	52726646	344555	53071201	70.04	0.3
Total Public Shareholding (B)=(B)(1)+ (B)(2)	52603764	468334	53072098	70.04	52727543	344555	53072098	70.04	0
C. Shares held by Custodian for GDRs & ADRs	6270000	0	6270000	8.28	6270000	0	6270000	8.28	0
Grand Total (A+B+C)	65301666	10468334	75770000	100.00	65425445	10344555	75770000	100.00	0

ii. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
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
	Total	16427902	21.68	0	16427902	21.68	0	0



TRANSGENE BIOTEK LIMITED

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

		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	16427902	21.68.	16427902	21.68
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase ase (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	16427902	21.68	16427902	21.68

V. 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	394.54	518.71		913.25
ii) Interest due but not paid	Nil	Nil	-	Nil
iii) Interest accrued but not paid	Nil	Nil	-	Nil
Total (i+ii+iii)	394.54	518.71		913.25
Change in Indebtedness during the financial year				
- Addition	38.05	101.60	-	139.65
- Reduction	20.00	0.27		20.27
Net Change	30.06	101.33	-	131.39
Indebtedness at the end of the financial year				
i) Principal Amount	412.59	620.04	-	1032.63
ii) Interest due but not paid	Nil	Nil		Nil
iii) Interest accrued but not due	Nil	Nil		Nil
Total (i+ii+iii)	412.59	620.04	-	1032.63



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

	Particulars of Remuneration		
		K. Koteswara Rao – MD	Total amount
	Gross salary	Nil	Nil
	(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) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
	Stock Option	NIL	NIL
	Sweat Equity	NIL	NIL
	Commission - as % of profit - others, specify...Sitting fee	Nil	NIL
	Others, please specify	NIL	NIL
	Total (A)	Nil	Nil
	Ceiling as per the Act		



TRANSGENE BIOTEK LIMITED

B. Remuneration to other directors:

	Particulars of Remuneration Independent Directors	Santosh Kumar	Sujana Kadium	Pardesi Naga Vyshali	Total Amount
	<ul style="list-style-type: none"> Fee for attending board meetings Committee Meetings Others, please specify 	10,000	30,000	10,000	50,000
	Total (1)	10,000	30000	10,000	50,000
	<u>Other Non-Executive Directors</u> <ul style="list-style-type: none"> Fee for attending board committee meetings Commission Others, please specify 				Nil
	Total (2)				
	Total (B)=(1+2)				50,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

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

	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		Not Applicable	Not Applicable	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
	Stock Option				
	Sweat Equity				
	Commission		Not Applicable		
	- as % of profit				
	- others, specify...				
	Others, please specify				
6.	Total				



VII. 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)
A. Company					
Penalty					
Punishment					
Compounding		NIL	NIL	NIL	
B. Directors					
Penalty		NIL	NIL	NIL	
Punishment					
Compounding					
C. Other Officers In Default					
Penalty		NIL	NIL	NIL	
Punishment					
Compounding					



STANDALONE 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, 2020, 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 March, 2020 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
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, 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>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 2020 SEBI has issued its final order against Ref No WTM/AB/EFD-1/DRA-4/18/2020-20 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.
GDR Issue:	
<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. 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"> ➤ 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.
INVESTMENTS:	
<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>As the subsidiary is not in operations, the books of accounts have not been audited</p>	<p>➤ 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</p>



TRANSGENE BIOTEK LIMITED

since many years along with FY 2020-20. As this amount may not be recoverable, as a prudent measure, management made full provision in the books of account considering the above development.	which it is stated.
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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 annexure 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, 2020 taken on record by the Board of Directors none of the directors is disqualified as on March 31, 2020 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

PLACE:HYDERABAD
DATE : 24-08-2020

Sd/-
Manisha Dubey
Proprietor M. No. 212664



Annexure - A to the Auditors' Report

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, 2020 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

PLACE: HYDERABAD
DATE: 24-08-2020 :

Sd/-
Manisha Dubey
Proprietor M. No. 212664



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, 2020:

- 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.

THIRTIETH ANNUAL REPORT 2019-20

- 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, 2019 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, 2019 is not applicable
- 7) a) The company is not regular in depositing undisputed statutory dues. The amount of arrears, as at 31st March, 2020 outstanding for a period of more than six months from the date they became payable are as mentioned below:
- Income tax (Asst year 2009-2010) Rs.7.61 lakhs,
 - Income Tax (Asst Year 2011-2012) Rs.3.11 lakhs,
 - the nature of Income tax in TDS Rs. 10.03 lakhs,
 - ESI Payable Rs. 0.38 Lakhs
 - PT Payable Rs. 0.705 Lakhs
 - Income Tax Demand (Asst Year:2009-2010) Rs.0.68 Lakh
 - Income Tax Demand (Asst Year:2013-2014) Rs.73.36 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 difference of opinion on classification of service	7.36 lakhs	2010-11	Chief Commissioner of Customs, Excise & Service, Hyderabad



TRANSGENE BIOTEK LIMITED

- 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, 2019 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/-

PLACE: HYDERABAD
DATE: 24-08-2020

Manisha Dubey
Proprietor M. No. 212664



Standalone Balance sheet as at 31-03-2020

Amount in Rs.

Particulars		As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	22,057,361	23,982,309
Capital work-in-progress	3	-	-
Other intangible assets	4	289,963,539	387,007,743
Intangible assets under development	4	18,676,633	18,676,633
Financial assets			
(a) Loans	5	230,204,250	230,204,250
Other non-current assets	6A	978,749	294,033
Total Non - Current Assets		561,880,532	660,164,969
Current Assets			
Inventories	7	384,312	310,911
Financial assets			
(c) Cash and cash equivalents	8	389,905	996,303
Current tax assets		0	0
Other current assets	6B	5,959,461	5,101,380
Total Current assets		6,733,678	6,408,594
Total Assets		568,614,210	666,573,562
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	757,700,000	757,700,000
Other equity	10	-606,730,506	-497,108,134
Equity attributable to owners of the Company		150,969,494	260,591,866
Total Equity		150,969,494	260,591,866
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	11	42,759,445	40,954,052
Provisions	12A	230,204,250	230,204,250
Other non-current liabilities	13A	8,769,403	10,523,283
Total Non-current liabilities		281,733,098	281,681,585
Current liabilities			
Financial liabilities			
(a) Borrowings	14	60,508,298	50,366,109
(b) Trade payables	15	3,795,952	2,905,221
Provisions	12B	69,901,787	69,859,527
Other current liabilities	13B	1,705,582	1,169,253
Total current liabilities		135,911,619	124,300,110
Total Equity and liabilities		568,614,210	666,573,562
Corporate information and significant accounting policies The accompanying notes form an integral part of the Consolidated financial statements			

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

For **Manisha Dubey & Associates**

Chartered Accountants

FRN : 010114S

Sd/-

(Manisha Dubey), Proprietor

M. No. 212664

Place : Hyderabad

Date :24-08-2020

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

Standalone Statement of Profit and Loss for the year ending 31-03-2020

Amount in Rs.

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
INCOME			
Revenue from operations	16	35,754	712,870
Other income (net)	17	1,788,820	20,377,778
Total income		1,824,574	21,090,648
EXPENSES			
Employee benefits expense			
Cost of materials consumed	18	2,895,496	2,481,867
Changes in inventories of finished goods and work-in-progress	19	147,876	338,525
Finance costs	20	-	-
Depreciation and amortisation expense	21	3,805,393	2,505,496
Other operating expenses	22	98,969,145	98,942,929
Total expenses	23	5,629,036	4,748,967
Profit before exceptional items and tax		111,446,946	109,017,784
Exceptional item (net)		(10,96,22,372)	(87,927,136)
Profit before tax		(10,96,22,372)	(87,927,136)
Tax expense			
Current tax			
Deferred tax			
(Short)/excess provision for earlier years			
Total tax expense			
Profit for the year		(10,96,22,372)	(87,927,136)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement cost of post employment benefits			(5,005)
Total other comprehensive income			(5,005)
Total comprehensive income/(loss) for the year		(10,96,22,372)	(87,932,140)
Earnings per equity share			
(Equity shares, par value of Rs. 10 each)		75,770,000	75,770,000
Basic (in Rs.)		(1.45)	(1.16)
Diluted (in Rs.)		(1.45)	(1.16)

The Accompanying notes are an integral.

As per our report of even date.

For **Manisha Dubey & Associates**

Chartered Accountants

FRN : 010114S

Sd/-

(Manisha Dubey),

Proprietor M. No.

212664

Place : Hyderabad

Date : 24-08-2020

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 Kadiam

Director

DIN : 07167872

Standalone Statement of changes in equity for the year ended March 31, 2020		
A. Equity Share Capital		Amount in Rs.
Particulars	Number of Shares	Amount
Balance at March 31, 2019	75,770,000	75,770,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	75,770,000	75,770,000

B. Other Equity	Reserves and Surplus				Items of OCI	Total
Particulars	Securities premium reserve	Warrants Forfeiture reserves	Capital Redemption Reserve	Retained earnings	Other items of comprehensive income	
Balance at March 31, 2019	1,388,092,501	12,250,000	72,473,902	(1,969,919,532)	(5,005)	(497108134)
Profit for the year	-	-	-	109,622,372		(109,622,372)
Balance at March 31, 2020	1,388,092,501	12,250,000	72,473,902	(2,079,541,904)	(5,005)	(606,730,506)

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

For **Manisha Dubey & Associates**
Chartered Accountants Sd/-
(Manisha Dubey) Proprietor
M. No. 212664

Place: Hyderabad
Date : 24-08-2020

For and on behalf of the board of Directors
M/s. Transgene Biotech Limited

Sd/-
Dr. K. Koteswara Rao
Chairman & Managing Director
DIN : 02287235

Sd/-
Sujana kadiam
Director
DIN : 071678

THIRTIETH ANNUAL REPORT 2019-20

Standalone Statement of Cash Flows for the year ended 31-03-2020

Amount in Rs.

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2019	
A. CASHFLOWFROMOPERATINGACTIVITIES				
Profit before tax		(109,622,372)		(87,927,136)
Adjustments for:				
Depreciation and amortisation expense	98,969,145		98,942,929	
Finance costs	3,805,393		2,505,496	
Amortisation of government grant	(1,753,880)		(1,753,880)	
Supplier Advances Written off	-		-	
Liabilities / provisions no longer required written back	-		(875)	
Bad debts written off	-		-	
Profit or loss on sale of Fixed asset	-		(17,738,173)	
Other Non cash Expenses	-		32,645	
Operating profit before working capital changes		(8,601,714)		(5,938,994)
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	-		-	
Other non-current assets	(684,711)		-	
Other assets	(858,081)		1,306,274	
Inventories	(73,401)		110,000	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	890,731		(2,587,670)	
Provision	42,260		(50,364)	
Borrowing	10,142,189		(9,678,675)	
Other financial liabilities	-		-	
Other current liabilities	536,329		(541,974)	
Provision	-		-	
Cash generated from operations		13,93,602		(17,381,403)
Net income tax paid		-		-
Net cash flow from operating activities (A)		13,93,602		(17,381,403)
B. CASHFLOWFROM INVESTINGACTIVITIES				
Capital expenditure on fixed assets, including capital advances	-		(759,620)	
Loan to other parties	-		-	
Proceeds from sale of fixed assets	-		18,118,000	
Net cash (used in) / flow from investing activities (B)				17,358,380
C. CASHFLOWFROM FINANCINGACTIVITIES				
Proceeds from issue of equity shares	-		-	
Finance costs	-		-	
Proceeds from Borrowings	-		-	
Payment of Borrowing		(2,000,000)		-
Net cash flow (used in) financing activities (C)		(2,000,000)		-
Net (decrease) in Cash and cash equivalents (A+B+C)		606,398		(23,023)
Cash and cash equivalents at the beginning of the year		996,303		1019326
- Effect of exchange differences on translation of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year		389,905		996,303

1. Property, plant and equipment and capital work -in-progress

Description of Assets	Freehold land	Buildings	Buildings temporary	Computers	Plant & equipment	Office equipment	Furniture & fixtures	Electrical installations	Vehicles	Total
I. Cost or deemed cost										
II. Balance as at April 1, 2019	655,796	34,019,720	68,163	1,875,513	77,867,443	18,576,575	922,627	10,279,268	635,801	144,900,906
Additions										
Disposals										
Additions through business combination										
Foreign currency translation adjustments										
Balance as at March 31, 2020	655,796	34,019,720	68,163	1,875,513	77,867,443	18,576,575	922,626	10,279,268	635,801	144,900,006
III. Accumulated depreciation										
Balance as at 1 April, 2019	-	21,276,028	68,163	1,723,472	68,805,166	17,652,518	848,013	9,937,768	607,468	120,918,596
Depreciation expense for the year	-	262,366		12,583	1,492,916			157,076		1,924,941
Acquisitions through business combinations										
Eliminated on disposal of assets										
Foreign currency translation adjustments										
Balance as at March 31, 2020	-	21,538,394	68,163	1,736,055	70,298,082	17,652,518	848,013	10,094,844	607,468	122,843,537
Carrying Amount										
Balance as at March 31, 2019	655,796	12,743,692	-	152,041	9,062,277	924,057	74,614	341,500	28,333	23,982,309
Balance as at March 31, 2020	655,796	12,481,326	-	139,458	7,569,353	924,057	74,614	184,424	28,333	22,057,361

THIRTIETH ANNUAL REPORT 2019-20

4. Intangible Assets

Amount in Rs.				
Description of Assets	Intellectual Property Rights	Technology	Total Intangible Assets	Intangible Under Development
I. Cost or deemed cost				
Balance as at April 1, 2019	756,803	930,118,554	930,875,357	18,676,633
Additions	-	-	-	-
Disposals	-	-	-	-
Additions through business combination	-	-	-	-
Foreign currency translation adjustments	-	-	-	-
Balance as at March 31, 2020	756,803	930,118,554	930,875,357	18,676,633
II. Accumulated depreciation				
Balance as at 1 April, 2019	56,582	543,811,032	543,867,614	-
Depreciation expense for the year	71,896	96,972,308	97,044,204	-
Acquisitions through business combinations	-	-	-	-
Eliminated on disposal of assets	-	-	-	-
Foreign currency translation adjustments	-	-	-	-
Balance as at March 31, 2020	128,478	640,783,340	640,911,818	-
Carrying Amount	Intellectual Property Rights	Technology	Total Intangible Assets	Intangible Under Development
III. Carrying Amount				
Balance as at March 31, 2019	700,221	386,307,522	387,007,743	18,676,633
Balance as at March 31, 2020	628,325	289,335,214	289,963,539	18,676,633



TRANSGENE BIOTEK LIMITED

Notes forming part of the Standalone financial statements

Investments

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
A. Non-current investments (Refer Note 1 below)		
Investment carried at cost		
(i) Equity instruments of Subsidiaries (unquoted)	922,009,728	922,009,728
Provision for Impairment	(922,009,728)	(922,009,728)
Total	-	-

Note : 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..

5. Loans

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - Current		
Loans to Others	-	-
Advances to Others	230,204,250	230,204,250
Total Non current Loans	230,204,250	230,204,250

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 assets

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
6A :Non-current		
Balance with government authority	978,749	294,033
Total non-current assets	978,749	294,033
6B:Current:		
Balance with government authority	163,153	133,207
Other Advances		
- Unsecured, considered good (Refer Note Below)	5,796,308	4,968,173
Less : Allowance for bad and doubtful loans		
Total current assets	5,959,461	5,101,380

THIRTIETH ANNUAL REPORT 2019-20

Notes forming part of the Standalone financial statements

Amount in Rs.

7. Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Inventories (lower of cost and net realisable value) Materials	384,312	310,911
Total	384,312	310,911

8. Cash and Cash Equivalents

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Balances with Banks		
in current accounts	104,745	742,967
Cash on hand	285,160	253,336
Total	389,905	996,303

9. Equity share capital

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Authorised share capital :		
7,60,00,000 fully paid up equity shares of Rs. 10 each Issued	760,000,000	760,000,000
and subscribed capital:		
7,57,70,000 fully paid up equity shares of Rs. 10 each	757,700,000	757,700,000
Total	757,700,000	757,700,000

**TRANSGENE BIOTEK LIMITED****(A) Reconciliation of the number of shares outstanding :**

Amount in Rs.

Particulars	Numbers of Shares	Amount
Balance at March 31, 2019	75,770,000	75,770,000
Balance at March 31, 2020	75,770,000	75,770,000

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

Amount in Rs.

Particulars	As at March 2020		As at March 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Dr. K. Koteswara Rao	16,427,902	22%	16,427,902	22%
Polavarapu Vikram	8,732,171	12%	8,732,171	12%
The Bank of New York Mellon, DR	6,270,000	8%	6,270,000	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.

10. Other Equity

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Retained earnings	(2,079,546,910)	(1,969,924,537)
Securities premium account	1,388,092,501	1,388,092,501
Capital Reserve	72,473,902	72,473,902
Warrants Forfeiture Reserve	12,250,000	12,250,000
Balance at end of year	(606,730,506)	(497,108,134)

THIRTIETH ANNUAL REPORT 2019-20

11. Non-current borrowings

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Unsecured - at amortised cost Term loans from other parties (Refer Note(i) below) Secured - at amortised cost Term loans from other parties (Refer Note(ii) below)	1,500,000	1,500,000
	41,259,445	39,454,052
Total non-current borrowings	42,759,445	40,954,052

Notes :

a) 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

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
13A Non - Current (Refer Note (ii) Below)	230,204,250	230,204,250
13B Current (Refer Note (i) Below)	69,901,787	69,859,527
Total	300,106,037	300,063,777

Notes :

i. Current Provisions include:

1. Rs. 56,52,101 of Statutory provisions payable for Employee Benefits
2. Rs. 74,03,730 on account of IT Demands raised by IT Dept. with respect to AY 2009-10 & AY 2013-14.
3. Rs. 5,65,59,257 of Income tax provisions of earlier years.
4. Rs. 2,86,699 of General expenses payables

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****13. Other Liabilities**

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
13A Non - Current		
Government grant	8,769,403	10,523,283
Total	8,769,403	10,523,283
13B Current		
Advance from customers Statutory remittances	-	-
Others	1,273,792	1,099,201
	431,790	70,052
Total	1,705,582	1,169,253

14. Current Borrowing

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Unsecured - at amortised cost		
Loans from related parties (refer note below)	56,108,298	45,966,109
Loans from Others	4,400,000	4,400,000
Total	60,508,298	50,366,109

15. Trade Payables

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade Payables - Current		
Dues to creditors other than micro enterprises and small enterprises	3,795,952	2,905,221
Total	3,795,952	2,905,221

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.

THIRTIETH ANNUAL REPORT 2019-20

16. Revenue from operations

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services	-	-
Other operating revenue	35,754	712,870
Total	35,754	712,870

17. Other income (Net)

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other non-operating income Amortisation of government grant Liabilities no longer required, written back	1,753,880	1,753,880
Miscellaneous income (net)	3,000	875
	31,940	884,850
	178,8820	2,639,605
Other gains and losses		
Gain on disposal of property, plant and equipment		17,738,173
		17,738,173
Total	1,788,820	20,377,778

18. Employee Benefits Expense

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages, including bonus	2,751,987	2,416,594
Contribution to provident and other funds	140,990	65,273
Staff welfare expenses	2,519	-
Actuarial Gain or loss	-	-
Total	2,895,496	2,481,867

19. Cost of materials consumed

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	310,911	420,911
Add : Purchases	221,277	228,525
Less : Closing stock	384,312	310,911
	147,876	338,525



TRANSGENE BIOTEK LIMITED

20. Changes in inventories of finished goods and work-in-progress

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock :		
Finished goods	-	-
Work-in-progress	-	-
Closing Stock :		
Finished goods	-	-
Work-in-progress	-	-
Net (increase) / decrease	-	-

21. Finance costs

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- Interest on bank overdrafts and loans	-	-
- Other interest expense	3,805,393	2,505,496
Total	3,805,393	2,505,496

22. Depreciation and amortisation expense

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	1,924,941	1,916,723
Amortisation of intangible assets	97,044,204	97,026,206
Total	98,969,145	98,942,929

THIRTIETH ANNUAL REPORT 2019-20

23. Other operating expenses

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Annual Custody fee	1,62,060	-
Audit fee	1,50,000	1,50,000
Bank charges	416	21,408
Directors sitting fees	50,000	25,000
Factory license fee	1,02,360	
Freight Outwards	4,663	-
Insurance	38,240	-
Interests & Penalties	2,699	1,04,185
Legal & professional charges	19,63,511	13,72,217
Listing Expenses	3,00,000	8,04,612
Marketing and advertising expenses	8,215	29,278
Miscellaneous expenses	89,632	1,94,536
Office Expenses	18,910	-
Patents application filing fees	5,06,188	7,65,648
Pollution Control charges	1,32,544	-
Postage & Courier	87,216	580
Power and fuel	15,75,351	5,65,825
Printing and stationery	34,430	33,266
Rates and taxes	2,500	1,94,114
Repairs to Buildings	10,000	3,48,577
Repairs to others	23,510	36,802
Research & Development	2,63,360	-
ROC filing charges	4,500	-
Telephone Expenses	25,652	21,616
Travelling and conveyance	38,229	81,303
Website Expenses	34,850	-
TOTAL	56,29,036	47,48,967

**Notes to the Standalone Financial Statements for the Year ended 31st March, 2020.****1. Corporate information:**

M/s. Transgene Biotek 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, 2020 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, 2019.

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.

THIRTIETH ANNUAL REPORT 2019-20

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 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 equipments 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

THIRTIETH ANNUAL REPORT 2019-20

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

THIRTIETH ANNUAL REPORT 2019-20

The Company operates a defined benefit gratuity plan and Leave Encashment in India for which provision has been for the year ended 31st March, 2020. The Company is not in practice of providing any other Defined Benefit Plan to the employees for the year ended 31st March, 2020.

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 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 Biotech HK Limited (Subsidiary) for Rs. 92,20,09,728/-. Further, 100% provision is made against payment made to M/s. Symetric Sciences Inc utilized out of GDR proceeds. This is without prejudice to the company's claim in this regard.

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.

THIRTIETH ANNUAL REPORT 2019-20

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	2019-20	2018-19
(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 2014-15 one of the employees of the Company sustained severe burns in a fire incident in the Company. The Company helped him financially for hospitalization and treatment after which he was discharged from the hospital. However, after the discharge, for some unknown reasons he contracted infection and died while being treated for that. His family approached Labour Court claiming an unspecified amount for his death from the Company. The management has been defending the claim hence, no amount is provided for in books of account for the same as the Company is not sure of the liability.

c. 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 case has been set aside by the Commissioner and a fresh notice has been served by the department on this regard for which the company is presenting its Arguments and the result is yet to be known

d. 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 Or list at 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.

**TRANSGENE BIOTEK LIMITED****28. Expenditure in Foreign Currency:**

Foreign Exchange:	2019-20	2018-19
Foreign Exchange Inflow	Nil	7,12,870
Foreign Exchange Outflow	Nil	Nil

29. Auditor's Remuneration

Particulars	2019-20	2018-19
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. Koteswara Rao : Managing Director

b) Relatives to Key Managerial Personnel:

K. Laxmidhar Rao : Son of Managing director

K.Nirmala Rao : Wife of Managing director K.

Srinivasa Rao : Son of Managing Director

c) Subsidiaries

Transgene Biotech HK 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		5,60,98,914.86
Amounts spent on behalf of the company		0.00
Amount repaid by the company	26,900.00	
	26,900.00	5,60,98,914.86

31. Remuneration to Directors for the year ended 31.03.2020

Amount in Rs

Particulars	2019-20	2018-19
Salaries and Other Allowances		
Contribution to Provident fund		
TOTAL	-	-

32. Segment Reporting:

As the company has closed all the diagnostic centres and concentrating on Research & Development. Thus Reporting under segment is not applicable.

THIRTIETH ANNUAL REPORT 2019-20

33. Earnings per Share (EPS):

Particulars	2019-20	2018-19
a) Profit/(Loss) attributable to equity shareholders	(10,96,22,372)	(8,79,32,141)
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	(1.45)	(1.16)
-Diluted	(1.45)	(1.16)

34. Standards issued and effective from 01st 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 2020:

Description of Assets	As at 31 March 2020	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-	-	-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,12,59,445		4,12,59,445	

B. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

Description of Assets	As at 31 March 2019	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-	-	-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,09,54,052		4,09,54,052	

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 31st March, 2020.

39. Balances of Creditors, Debtors & Advances as on 31st March 2020 are subject to confirmation from the parties concerned.

THIRTIETH ANNUAL REPORT 2019-20

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

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

The Accompanying notes are an integral part of the financial statements.

As per our report of even date.

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

For **Manisha Dubey & Associates**

Chartered Accountants FRN :
010114S

Sd/-

(Manisha Dubey)

Proprietor

M. No. 212664

Place : Hyderabad

Date : 24-08-2020

Sd/-

Dr. K. Koteswara Rao

Chairman & Managing

Director DIN : 02287235

Sd/-

Sujana Kadiam

Director DIN :

07167872



CONSOLIDATED 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 Biotech 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, 2020, 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 March, 2020 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.

THIRTIETH ANNUAL REPORT 2019-20

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>Principal Audit procedures performed:</p> <p>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.</p> <p>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.</p>
GDR Issue:	
<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. However, the Management as a prudent measure, made full provision for the amount, in the Books of Account considering the facts.</p>	<p>The company has been trying to recover this 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 its advancement and assessed management's claim on the same.</p> <p>However we are unable to opine whether this amount is recoverable or not as we are unable to obtain confirmation from the concerned party.</p>
INVESTMENTS:	
<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>As the subsidiary is not in operations, the books of accounts have not been audited since many years along with FY 2019-20.</p> <p>As this amount may not be recoverable, as a</p>	<p>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.</p>



TRANSGENE BIOTEK LIMITED

prudent measure, management made full provision in the books of account considering the above development.	
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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.

THIRTIETH ANNUAL REPORT 2019-20

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, 2020 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

THIRTIETH ANNUAL REPORT 2019-20

in India is disqualified as on March 31, 2020 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.

For **Manisha Dubey & Associates**

Chartered accountants, Firm Registration No. 010114S

Sd/-

Manisha Dubey

Proprietor M. No.

212664

PLACE HYDERABAD

DATE : 24-08-2020



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, 2020, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

THIRTIETH ANNUAL REPORT 2019-20

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, 2020, 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.

For **Manisha Dubey & Associates**

Chartered accountants, Firm Registration No. 010114S

Sd/-

PLACE: HYDERABAD
DATE : 24-08-2020

Manisha Dubey
Proprietor M. No. 212664



TRANSGENE BIOTEK LIMITED

Consolidated Balance sheet as at 31-03-2020

Amount in Rs.

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	22,057,361	23,982,309
Capital work-in-progress	3	-	-
Other intangible assets	4	289,963,539	387,007,743
Intangible assets under development	4	18,676,633	18,676,633
Financial assets			
(a) Loans	5	1,329,024,004	1,329,024,004
Other non-current assets	6A	978,749	294,033
Total Non - Current Assets		1,660,700,286	1,758,984,722
Current Assets			
Inventories	7	384,312	310,911
Financial assets			
(a) Trade Receivables	8A	84,460	84,460
(b) Cash and cash equivalents	8B	389,905	996,303
Current tax assets	9	0	0
Other current assets	6B	5,959,461	5,101,380
Total Current assets		6,818,138	6,493,054
Total Assets		1,667,518,424	1,765,477,775
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	757,700,000	757,700,000
Other equity	10	(430,962,332)	(321,339,960)
Equity attributable to owners of the Company		326,737,668	436,360,041
Total Equity		326,737,668	436,360,041
Non-current liabilities			
Financial Liabilities			
(a) Borrowings	11	42,759,445	40,954,052
Provisions	12A	1,152,213,978	1,152,213,978
Other non-current liabilities	13A	8,769,403	10,523,283
Total Non-current liabilities		1,203,742,826	1,203,691,313
Current liabilities			
Financial liabilities			
(a) Borrowings	14	60,508,298	50,366,109
(b) Trade payables	15	3,795,952	2,905,221
(c) Other Financial Liabilities	15A	1,126,311	1,126,311
Provisions	12B	69,901,787	69,859,527
Other current liabilities	13B	1,705,582	1,169,253
Total Current liabilities		137,037,930	125,426,421
Total Equity and liabilities		1,667,518,424	1,765,477,775
Corporate information and significant accounting policies	1 & 2		
The accompanying notes form an integral part of the Consolidated financial statements			

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

For Manisha Dubey & Associates

Chartered Accountants

FRN : 010114S

Sd/-

(Manisha Dubey), Proprietor

M. No. 212664

Place : Hyderabad

Date : 24-08-2020

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 Kadiam
Director
DIN : 07167872

THIRTIETH ANNUAL REPORT 2019-20

Consolidated Statement of Profit and Loss for the year ending 31-03-2020

Amount in Rs.

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
INCOME			
Revenue from operations	16	35,754	712,870
Other income (net)	17	1,788,820	20,377,778
Total income		1,824,574	21,090,648
EXPENSES			
Employee benefits expense	18	2,895,496	2,481,867
Cost of materials consumed	19	147,876	338,525
Changes in inventories of finished goods and work-in-progress	20	-	-
Finance costs	21	3,805,393	2,505,496
Depreciation and amortisation expense	22	98,969,145	98,942,929
Other operating expenses	23	5,629,036	4,748,967
Total expenses		111,446,946	109,017,784
Profit before exceptional items and tax		(10,96,22,372)	(87,927,135)
Exceptional item (net)			
Profit before tax		(10,96,22,372)	(87,927,135)
Tax expense			
Current tax			
Deferred tax			
(Short)/excess provision for earlier years			-
Total tax expense			-
Profit for the year		(10,96,22,372)	(87,927,135)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement cost of post employment benefits			(5,005)
Total other comprehensive income			(5,005)
Total comprehensive income/(loss) for the year		(10,96,22,372)	(87,932,140)
Earnings per equity share			
(Equity shares, par value of Rs. 10 each)		75,770,000	75,770,000
Basic (in Rs.)		(1.45)	(1.16)
Diluted (in Rs.)		(1.45)	(1.16)

The Accompanying notes are an integral.

As per our report of even date.

For **Manisha Dubey & Associates**

Chartered Accountants

FRN : 010114S

Sd/-

(Manisha Dubey),

Proprietor M. No.

212664

Place : Hyderabad

Date : 24-08-2020

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

Consolidated Statement of changes in equity for the year ended March 31, 2020		
A. Equity Share Capital		Amount in Rs.
Particulars	Number of Shares	Amount
Balance at March 31, 2019	75,770,000	75,770,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	75,770,000	75,770,000

B. Other Equity	Reserves and Surplus				Items of OCI	Total
Particulars	Securities premium reserve	Warrants Forfeiture reserves	Capital Redemption Reserve	Retained earnings	Other items of other comprehensive income	
Balance at March 31, 2019	1,388,092,501	12,250,000	72,473,902	(1,794,158,223)	(1,860)	(321,339,960)
Profit for the year	-	-	-	(109,622,372)		(109,622,372)
Balance at March 31, 2020	1,388,092,501	12,250,000	72,473,902	(1,903,780,595)	(1,860)	(430,962,332)

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

For **Manisha Dubey & Associates**
Chartered Accountants Sd/-
(Manisha Dubey) Proprietor
M. No. 212664

Place : Hyderabad
Date : 24-08-2020

For and on behalf of the board of Directors
M/s. Transgene Biotech Limited

Sd/-
Dr. K. Koteswara Rao Chairman &
Managing Director DIN : 02287235

Sd/-
Sujana kadiam
Director DIN : 071678

THIRTIETH ANNUAL REPORT 2019-20

Consolidated Statement of Cash Flows for the year ended 31-03-2020 (Amount in Rs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. CASHFLOWFROMOPERATINGACTIVITIES				
Profit before tax		(109,622,372)		(87,927,136)
Adjustments for:				
Depreciation and amortisation expense	98,969,145		98,942,929	
Finance costs	3,805,393		2,505,496	
Amortisation of government grant	(1,753,880)		(1,753,880)	
Supplier Advances/Written off	-		-	
Liabilities / provisions no longer required written back	-		(875)	
Bad debts written off	-		-	
Profit or loss on sale of Fixed asset	-		(17,738,173)	
Other Non cash Expenses	-		32,645	
Operating profit before working capital changes		(8,601,714)		(5,938,994)
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	-		-	
Other non-current assets	(684,711)		-	
Other current assets	(858,081)		1,306,274	
Inventories	(73,401)		110,000	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	890,731		(2,587,670)	
Provision (CL)	42,260		(50,364)	
Borrowing (CL)	10,142,189		(9,678,675)	
Other financial liabilities	-		-	
Other current liabilities	536,329		(541,974)	
Provision (NCL)	-		-	
Cash generated from operations		1,393,602		(17,381,403)
Net income tax paid		-		-
Net cash flow from operating activities (A)		1,393,602		(17,381,403)
B. CASHFLOWFROM INVESTINGACTIVITIES				
Capital expenditure on fixed assets, including capital advances			(759,620)	
Loan to other parties			-	
Proceeds from sale of fixed assets			18,118,000	
Net cash (used in) / flow from investing activities (B)		-		17,358,380
C. CASHFLOWFROM FINANCINGACTIVITIES				
Proceeds from issue of equity shares				
Finance costs	-		-	
Proceeds from Borrowings	-		-	
Payment of Borrowing	-	(2,000,000)	-	
Net cash flow (used in) financing activities (C)		(2,000,000)		-
Net (decrease) in Cash and cash equivalents (A+B+C)		(606,398)		(23,023)
Cash and cash equivalents at the beginning of the year		996,303		1,019,326
Effect of exchange differences on translation of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		389,905		99,6303

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

Description of Assets	Freehold land	Buildings	Buildings temporary	Computers	Plant & equipment	Office equipment	Furniture & fixtures	Electrical installations	Vehicles	Total
I. Cost or deemed cost										
Balance as at April 1, 2019	655,796	34,019,720	68,163	1,875,513	77,867,443	18,576,575	922,627	10,279,268	635,801	144,900,905
Additions										
Disposals										
Additions through business combination										
Foreign currency translation adjustments										
Balance as at March 31, 2020	655,796	34,019,720	68,163	1,875,513	77,867,443	18,576,575	922,627	10,279,268	635,801	144,900,905
II. Accumulated depreciation										
Balance as at 1 April, 2019	-	21,276,028	68,163	1,723,472	68,805,166	17,652,518	848,013	9,937,768	607,468	120,918,596
Depreciation expense for the year	-	262,366		12,583	1,492,916			157,076		1,924,941
Acquisitions through business combinations										
Eliminated on disposal of assets										
Foreign currency translation adjustments										
Balance as at March 31, 2020	-	21,538,394	68,163	1,736,055	70,298,082	17,652,518	848,013	10,094,844	607,468	122,843,537

Carrying Amount	Freehold land	Buildings	Buildings temporary	Computers	Plant & equipment	Office equipment	Furniture & fixtures	Electrical installations	Vehicles	Total
Balance as at March 31, 2019	655,796	12,743,692	-	152,041	9,062,277	924,057	74,614	341,500	28,333	23,982,309
Balance as at March 31, 2020	655,796	12,481,326	-	139,458	7,569,353	924,057	74,614	184,424	28,333	22,057,361

THIRTIETH ANNUAL REPORT 2019-20

4. Intangible Assets

Amount in Rs.				
Description of Assets	Intellectual Property Rights	Technology	Total Intangible Assets	Intangible Under Development
I. Cost or deemed cost				
Balance as at April 1, 2019	756,803	930,118,554	930,875,357	18,676,633
Additions	-	-	-	-
Disposals	-	-	-	-
Additions through business combination	-	-	-	-
Foreign currency translation adjustments	-	-	-	-
Balance as at March 31, 2020	756,803	930,118,554	930,875,357	18,676,633
II. Accumulated depreciation				
Balance as at 1 April, 2019	56,582	543,811,032	543,867,614	-
Depreciation expense for the year	71,896	96,972,308	97,044,204	-
Acquisitions through business combinations	-	-	-	-
Eliminated on disposal of assets	-	-	-	-
Foreign currency translation adjustments	-	-	-	-
Balance as at March 31, 2020	128,478	640,783,340	640,911,818	-
Carrying Amount	Intellectual Property Rights	Technology	Total Intangible Assets	Intangible Under Development
III. Carrying Amount				
Balance as at March 31, 2019	700,221	386,307,522	387,007,743	18,676,633
Balance as at March 31, 2020	628,325	289,335,214	289,963,539	18,676,633

THIRTIETH ANNUAL REPORT 2019-2020

Notes forming part of the financial statements

4. Investments

Amount in Rs.

Particulars	As at	
	March 31, 2019	March 31, 2018
A. Non-current investments (Refer Note 1 below)		
Investment carried at cost		
(i) Equity instruments of Subsidiaries (unquoted)	922,009,728	922,009,728
Provision for Impairment	(922,009,728)	(922,009,728)
Total	-	-

Note : 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.

5. Loans

Amount in
Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Non - Current		
Loans to Others	-	-
Advances to Others	230,204,250	230,204,250
Advance towards acquisition of Capital Assets & Technical Know How	1,098,819,754	1,098,819,754
Total Non current Loans	1,329,024,004	1,329,024,004

Note .:

- (i) 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 assets

Amount in
Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
6A. Non-current		
Balance with government authority	9,78,749	2,94,033
Total non-current assets	9,78,749	2,94,003
6B. Current :		
Balance with government authority	163, 153	133,207
Other advances		
- Unsecured, considered good	57,96,308	4,968,173
Less: Allowance for bad and doubtful loans		
Total current assets	59,59,461	51,01,380



TRANSGENE BIOTEK LIMITED

Notes forming part of the financial statements

Amount in Rs.

7. Inventories

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Inventories (lower of cost and net realisable value)		
- Raw materials	384,312	310,911
Total	384,312	310,911

Amount in Rs.

8a. Trade receivables

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade receivables Unsecured considered good	84,460	84,460
Total	84,460	84,460

8b. Cash and Cash Equivalents

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Balances with Banks		
in current accounts	104,745	742,967
Cash on hand	285,160	253,336
Total	389,905	996,303

9. Equity share capital

Particulars	As at	
	March 31, 2020	March 31, 2019
Authorised share capital :		
7,60,00,000 fully paid up equity shares of Rs. 10 each Issued and subscribed capital:	760,000,000	760,000,000
7,57,70,000 fully paid up equity shares of Rs. 10 each	757,700,000	757,700,000
Total	757,700,000	757,700,000



TRANSGENE BIOTEK LIMITED

(A) Reconciliation of the number of shares outstanding :

Amount in
Rs.

Particulars	Numbers of Shares	Amount
Balance at March 31, 2020	75,770,000	757,700,000
Balance at March 31, 2019	75,770,000	757,700,000

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

Amount in
Rs.

Particulars	As at March 2020		As at March 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Dr. K. Koteswara Rao	16,427,902	22%	16,427,902	22%
Polavarapu Vikram	8,732,171	12%	8,732,171	12%
The Bank of New York Mellon, DR	6,270,000	8%	6,270,000	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.

10. Other Equity

Amount in
Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Retained earnings	(1,903,778,736)	(1,794,156,363)
Securities premium account	1,388,092,501	1,388,092,501
Capital Reserve	72,473,902	72,473,902
Warrants Forfeiture Reserve	12,250,000	12,250,000
Balance at end of year	(430,962,332)	(321,339,960)

THIRTIETH ANNUAL REPORT 2019-20

11. Non-current borrowings

Amount in
Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Unsecured - at amortised cost		
Term loans		
from other parties (Refer Note(i) below)	1,500,000	1,500,000
Secured - at amortised cost		
Term loans		
from other parties (Refer Note(ii) below)	41,259,445	39,454,052
Total non-current borrowings	42,759,445	40,954,052

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

Amount in
Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
13A Non - Current (Refer Note (ii) Below)	1,152,213,978	1,152,213,978
13B Current (Refer Note (i) Below)	69,901,787	69,859,527
Total	1,222,115,765	1,222,073,505

Notes :

- (i) Current Provisions include:
 - Rs.56,52,101 of Statutory provisions payable for Employee Benefits
 - Rs. 74,03,730 on account of IT Demands raised by IT Dept. with respect to AY 2009-10 & AY 2013-14.
 - Rs. 5,65,59,257 of Income tax provisions of earlier years.
 - Rs.2,86,699 of General expenses payables
- (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****13. Other Liabilities**

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
14A Non - Current		
Government grant	8,769,403	10,523,283
Total	8,769,403	10,523,283
14B Current		
Advance from customers Statutory remittances	-	-
Others	1,273,792	1,099,201
	431,790	70,052
Total	1,705,582	1,169,253

14. Current Borrowing

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Unsecured - at amortised cost		
Loans from related parties (refer note below) Loans from	56,108,298	45,966,109
Others	4,400,000	4,400,000
Total	60,508,298	50,366,109

15. Trade Payables

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade Payables - Current		
Dues to creditors other than micro enterprises and small enterprises	3,795,952	2,905,221
Total	3,795,952	2,905,221

15A. Other Financial Liabilities

Amount in Rs.

Particulars	As at	
	March 31, 2020	March 31, 2019
Current		
Other Payables	1,126,311	1,126,311
Total	1,126,311	1,126,311

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.

THIRTIETH ANNUAL REPORT 2019-20

16. Revenue from operations

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services	-	-
Other operating revenue	35,754	712,870
Total	35,754	712,870

17. Other income (Net)

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Other non-operating income		
Amortisation of government grant Liabilities no longer required, written back	1,753,880	1,753,880
Miscellaneous income (net)	3,000	875
	31,940	884,850
	1,788,820	2,639,605
Other gains and losses		
Gain on disposal of property, plant and equipment	-	17,738,173
	-	
Total	1,788,820	20,377,778

18. Employee Benefits Expense

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages, including bonus	2,751,987	2,416,594
Contribution to provident and other funds	140,990	65,273
Staff welfare expenses	2,519	-
Actuarial Gain or loss	-	-
Total	2,895,496	2,481,867

19. Cost of materials consumed

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	310,911	420,911
Add: Purchases	221,277	228,525
Less: Closing stock	384,312	310,911
	147,876	338,525



TRANSGENE BIOTEK LIMITED

20. Changes in inventories of finished goods and work-in-progress

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock : Finished goods Work-in-progress	-	-
Closing Stock : Finished goods Work-in-progress	-	-
	-	-
Net (increase) / decrease	-	-

21. Finance costs

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- Interest on bank overdrafts and loans	-	-
- Other interest expense	3,805,393	2,505,496
Total	3,805,393	2,505,496

22. Depreciation and amortisation expense

Amount in Rs.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property, plant and equipment	1,924,941	1,916,723
Amortisation of intangible assets	97,044,204	97,026,206
Total	98,969,145	98,942,929

THIRTIETH ANNUAL REPORT 2019-20

23. Other operating expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Annual Custody fee	1,62,060	-
Audit fee	1,50,000	1,50,000
Bank charges	416	21,408
Directors sitting fees	50,000	25,000
Factory license fee	1,02,360	
Freight Outwards	4,663	-
Insurance	38,240	-
Interests & Penalties	2,699	1,04,185
Legal & professional charges	19,63,511	13,72,217
Listing Expenses	3,00,000	8,04,612
Marketing and advertising expenses	8,215	29,278
Miscellaneous expenses	89,632	1,94,536
Office Expenses	18,910	-
Patents application filing fees	5,06,188	7,65,648
Pollution Control charges	1,32,544	-
Postage & Courier	87,216	580
Power and fuel	15,75,351	5,65,825
Printing and stationery	34,430	33,266
Rates and taxes	2,500	1,94,114
Repairs to Buildings	10,000	3,48,577
Repairs to others	23,510	36,802
Research & Development	2,63,360	-
ROC filing charges	4,500	-
Telephone Expenses	25,652	21,616
Travelling and conveyance	38,229	81,303
Website Expenses	34,850	-
TOTAL	56,29,036	47,48,967



TRANSGENE BIOTEK LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020.

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, are together known as (hereinafter) "the Company" or "the Group". The Company is in the business of Research & Development.

The operations in the Subsidiary are being shut down for more than three 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 24-08-2020

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, 2020 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, 2020.

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:

- ii. 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.

THIRTIETH ANNUAL REPORT 2019-20

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 fairvalue 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 interests 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.

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.

THIRTIETH ANNUAL REPORT 2019-20

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

THIRTIETH ANNUAL REPORT 2019-20

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 operates a defined benefit gratuity plan and Leave Encashment in India for which provision has been for the year ended 31st March, 2020.

The Company is not in practice of providing any other Defined Benefit Plan to the employees for the year ended 31st March, 2020.

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**iii. 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.

iv. Diluted earnings per share

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

THIRTIETH ANNUAL REPORT 2019-20

- 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/-. Further, 100% provision is made against payment made to M/s. Symetric Sciences Inc utilized out of GDR proceeds. This is without prejudice to the company's claim in this regard.

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:

- iii. The rights to receive cash flows from the asset have expired, or
- iv. 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

THIRTIETH ANNUAL REPORT 2019-20

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:

b. Contingent liabilities are not provided for in respect of

Particulars	2019-20	2018-19
(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. SulekhaBeevi 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 2014-15 one of the employees of the Company sustained severe burns in a fire incident in the Company. The Company helped him financially for hospitalization and treatment after which he was discharged from the hospital. However, after the discharge, for some unknown reasons he contracted infection and died while being treated for that. His family approached Labour Court claiming an unspecified amount for his death from the Company. The management has been defending the claim hence, no amount is provided for in books of account for the same as the Company is not sure of the liability.

c. 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 case has been set aside by the Commissioner and a fresh notice has been served by the department on this regard for which the company is presenting its Arguments and the result is yet to be known

d. 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.



TRANSGENE BIOTEK LIMITED

28. Expenditure in Foreign Currency:

Foreign Exchange:	2019-20	2018-19
Foreign Exchange Inflow	Nil	7,12,870
Foreign Exchange Outflow	Nil	Nil

29. Auditor's Remuneration

Particulars	2019-20	2018-19
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 Biotech HK 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		5,60,98,914.86
Amounts spent on behalf of the company		0.00
Amount repaid by the company	26,900.00	
	26,900.00	66,59,705.77

31. Remuneration to Directors for the year ended 31.03.2020

Amount in Rs

Particulars	2019-20	2018-19
Salaries and Other Allowances		
Contribution to Provident fund		
TOTAL	-	-

32. Segment Reporting:

As the company has closed all the diagnostic centres and concentrating on Research&Development. Thus Reporting under segment is not applicable.

THIRTIETH ANNUAL REPORT 2019-20

33. Earnings Per Share (EPS):

Particulars	2019-20	2018-19
a) Profit/(Loss) attributable to equity shareholders	(10,96,22,372)	(8,79,32,141)
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	(1.45)	(1.16)
-Diluted	(1.45)	(1.16)

34. Standards issued and effective from 01st 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 2020:

Description of Assets	As at 31 March 2020	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-	-	-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,12,59,445		4,12,59,445	

THIRTIETH ANNUAL REPORT 2019-20

B. The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of 31 March 2019:

Description of Assets	As at 31 March 2019	Fair value measurement at the end of year using		
		Level 1	Level 2	Level 3
I. Assets	-	-	-	-
II. Liabilities				
Financial Liabilities				
(a) Borrowings	4,09,54,052		4,09,54,052	

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 31st March, 2020.

39. Balances of Creditors, Debtors & Advances as on 31st March 2020 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.

The Accompanying notes are an integral part of the financial statements.

As per our report of even date.

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

For **Manisha Dubey & Associates**

Chartered Accountants FRN :

010114S

Sd/-

(Manisha Dubey)

Proprietor

M. No. 212664

Sd/-

Dr. K. Koteswara Rao

Chairman & Managing

Director DIN : 02287235

Sd/-

Sujana Kadiam

Director DIN :

07167872

Place:Hyderabad

Date : 24-08-2020

TRANSGENE BIOTEK LTD

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BRINGING SMILES ON MILLIONS OF FACES***

Annual Report 2019-20

