

Transgene Biotek Limited



**Annual Report
1998 - 99**

Transgene Biotech Limited

Board of Directors

Dr. K. Koteswara Rao — Chairman & Managing Director

Prof. N.C. Subramanyam

Sri P.Narayana Murthy

Dr. Chilakapati Basant Kumar

Sri S.S Marthi

Registered Office

Plot 68, 69, 70
Anrich Industrial Area
Bollaram
Medak District - A.P.

Factory

Plot 68, 69, 70
Anrich Industrial Area
Bollaram
Medak District - A.P.

Bankers

Indus Ind Bank
S.P. Road
Secunderabad - 500 003.

Auditors

Sarath & Associates
Chartered Accountants
102, Gowri Apartments
3-6-195/B, Urdu Lane
Himayath Nagar
Hyderabad.

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Notice

Notice is hereby given that the IXth adjourned Annual General Meeting of the Members of M/s. Transgene Biotek Limited will be held on 25th August, 2000 at 3.30 p.m. the Friday at the Community hall, Bharthi Nagar Colony, LIC Ramachandrapuram Mandal, Medak District 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, 1999 the Profit and Loss Account for the year ended as on that date and the Director's and Auditor's Report thereon.

By order of the Board

Place : Hyderabad
Date : 01-08-2000

Sd/-
Dr.K.Koteswara Rao
Chairman

Notes

1. A Member entitled to attend and Vote at the Meeting is entitled to appoint one or more proxies to attend and to vote instead of himself.
2. The Proxy need not be a member of the Company.
3. Should any member choose to exercise his right of appointing a Proxy, the Proxy Form attached herewith should be duly completed and should be deposited at the Registered Office of the Company not less than 48 hours before the time of holding of the meeting.

Transgene Biotek Limited

Directors' Report

To

The Members of
M/s. Transgene Biotek Limited
Hyderabad.

The Directors hereby take the pleasure in presenting the IXth Annual Report on the business and operations of the Company and the Financial Accounts for the year ended 31st March, 1999.

Financial Highlights

	<u>31st March, 1999</u>	<u>31st March, 1998</u>
Gross Operating Profit	51,84,792	43,28,689
Interest and Finance Charges	1,82,55,535	1,75,56,958
Depreciation	47,52,939	46,92,665
Amortisation	6,21,343	6,90,383
Profit before Tax/loss	(1,84,45,025)	(1,86,11,317)
Provision for tax	—	—
Net Profit/loss for the year	(1,87,00,948)	(2,01,21,429)
Add : Brought forward Profits/Loss of Previous year	(9,47,36,139)	(7,46,14,710)
Profit/loss Carried to Balance Sheet	(11,34,37,087)	(9,47,36,139)

The directors are unable to recommend for any dividend since the Company is incurring heavy losses. And the promoters are investing funds to make the company make profits.

The Management of the company in order to raise funds for restoration of the operations of the company had to divest their stake in Transgene Vaccines Limited (TVL). As you may be aware TVL is a company which was promoted by the same management and has the technology for production of hepatitis-B Vaccine. It was also informed to you earlier that the Pilot scale operations of this vaccine were being carried out in our unit and the operations had been successful. As part of the understanding the new promoters of the TVL have agreed to utilise the facilities of our Company on lease basis which would enable the Company to generate certain revenues for the Company.

Fixed Deposits

The Company has not accepted any Fixed Deposits and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

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Directors

- A. S/Sri P. Narayana Murthy will retire by rotation and being eligible offers himself for re-appointment.
- B. Dr. Chilakapati Basant Kumar has been inducted on the Board as additional director pursuant to section 260 of the Companies Act, 1956.
Since he is eligible it is proposed to appoint him as the director of the Company.
- C. S/Sri S.S. Marthi has been inducted on the Board as additional director pursuant to section 260 of the Companies Act, 1956.
Since he is eligible it is proposed to appoint his as the director of the Company.
- D. The term of office of Dr. K.Koteswara Rao, Managing Director expired on 5th May, 1999 and he has been reappointed by your Board of Directors for a further period of 5 years. Your approval for the same is being sought at the General Meeting.
Your Board of Directors strongly recommended for his reappointment as Managing Director.

Auditors

M/s Sarath & Associates, Chartered Accountants, the Company's Auditors retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Employee Relations

The employee relations during the year continued to be cordial.

There is no employee whose particulars are to be furnished pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Amendment Act, 1988).

Conservation of Energy, Technology Absorption and Foreign Exchange

- A. Conservation of Energy, Power and Fuel Consumption : Efforts for conservation of energy is an ongoing process in the Company and every effort is made in that direction.
- B. Research & Development : The Company shall have its own Research and Development for the purpose of rationalization and cost reduction steps. Continuous efforts are on to stream line and indigenise the manufacturing process.
- C. Foreign Exchange Earnings : Nil

Acknowledgement

Your Directors express their sincere thanks to the Financial Institutions, Banks and other connected with the Company for the excellent cooperation and valuable assistance.

Your Directors sincerely acknowledge and congratulate the employees of the Company for their continued support to the Company.

For and on behalf of the Board

Sd/-

Dr.K.Koteswara Rao
Chairman

Place : Hyderabad
Date : 01-08-2000