

Transgene Biotek Limited



10th
Annual Report
1999-2000

Transgene Biotek 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 Tenth Annual General Meeting of the Members of M/s Transgene Biotek Limited will be held on 16th December, 2000 at 11.30 a.m. at the Community Hall, Bharati Nagar Colony, LIG 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, 2000 the Profit and Loss Account for the year ended as on that date and the Director's and Auditors' Report thereon.

2. RE-APPOINTMENT OF DIRECTOR

To appoint a Director in place of Sri S S Marthi who retires by rotation and being eligible offers himself for reappointment.

3. RE-APPOINTMENT OF DIRECTOR

To appoint a Director in place of Sri Chilakapati Basant Kumar who retires by rotation and being eligible offers himself for reappointment.

4. APPOINTMENT OF AUDITORS

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

"RESOLVED THAT M/s Sarath & Associates, Chartered Accountants, be and are hereby reappointed as Auditors of the Company to hold the office from the conclusion of this Annual General Meeting of the Company until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit to pass the following Resolution with or without modification(s), if any as Special Resolution :

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“RESOLVED that pursuant to section 17 of the Companies Act, 1956 the objects clause III of the Memorandum of Association of the Company be altered so as to extend the objects of the Company by inserting the following sub clauses immediately after existing sub-clause A(4) :

5. To undertake, develop, research, promote, assist or engage in all kinds of Genomics, Proteomics, Bio-informatic activities related to Bio-technology in its entirety involving Human, Veterinary, Plant and Agricultural Sciences and further to set up research and development centers and educational courses in the field of Bio-technology and Bio-informatics and other related courses on its own or on contract basis.
6. To Develop Software for Computer System for Data Processing, Data Acquisition, Data Transmission, Industrial Instrumentation and Process Control and to act as Computer and Electronic Data Processing Consultants and Agents and to establish and run data processing centers and offer Consultancy and other services that are normally offered by data processing and computer centers to Industrial, Commercial, business and other types of Customer and to impart training on Computer Software and Hardware, Electronic Data Processing, to Customers and others.
7. To design, develop, alter, make, manufacture, produce, process, assemble, contract for, buy, sell, export import, trade, or lease, hire or otherwise deal in computers, computer machinery, spare parts, electronic components, hardware, software, computer stationery, peripherals, line printers, monitors, modems, hard disks, plotters, digitizers, electronic, electrical.
8. To design, develop, process, compile, service, renovate, remodel, construct, assemble, render technical know-how, consultancy services, training concerning software technology, computer science, scientific knowledge and to compile, make available, render, assist, in the field of internet and electronic commerce, and also render services, know-how in systems and management relating to computers, computer machinery, computer installation, data processing and computer science.
9. To develop Multimedia Software and Web based solutions, involving audio, graphics and text and to design, develop, alter, make, manufacture, produce, process, assemble, convert, contract for, buy, sell, export, import, trade, or lease, hire or otherwise deal in music cassettes, CDs, DVDs and VCDs., to provide Networking Solutions and to design, develop, alter, make, manufacture, produce, process, assemble, convert software for the corporate sector, to design, develop, make, convert, contract for, buy, sell, or otherwise deal in web based or any other kind of portals.

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

"RESOLVED THAT pursuant to Section 94 (1) (a), 16, 31 of the Companies Act, 1956 the Authorised Capital of the Company be increased from Rs. 7.5 Crores (Rupees Seven Crores and fifty lakhs only) to Rs. 10 Crores (Rupees Ten Crores only) by creation of 25,00,000 equity shares of Rs. 10/- each, ranking pari Passu with the existing equity shares and Clause V of the Memorandum of Association and Article 3 of the Articles of Association be altered accordingly."

7. To consider and if thought fit to pass the following resolution with or without modification(s) as special resolution.

"RESOLVED THAT pursuant to Section 81(1-A) of the Companies Act, 1956 and in accordance with the regulations/Guidelines of SEBI the Board of Directors of the Company be and is hereby authorised to offer 25,00,000 Lakh equity shares of Rs. 10/- (Rupees ten only) each at a minimum offer price of Rs. 10/- (Rupees ten only) per share or at a higher price as decided by the board in the share capital of the Company and such shares be offered, issued and allotted to the person(s) as they deem fit and proper."

By the Order of the Board
for **TRANSGENE BIOTEK LIMITED**

Sd/-
DR. K KOTESWARA RAO
Managing Director

Place : Hyderabad
Date : 23-11-2000

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.

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Explanatory Statement Pursuant To Section 173(2) Of The Companies Act, 1956

ITEM NO. 5

The activities of the Company are proposed to be diversified in order to broaden and strengthen the Company. To enable the Company to enter into the business of Bioinformatics, software development, the object clause III of the Memorandum is proposed to be altered.

The Company which is a major player in Biotechnology and Pharma Sector would like to diversify into bioinformatics and software as there is a substantial opportunity for growth in the same and is in the best interests of the Company. As these activities are not covered by the object clause of the Memorandum of Association of the Company, it is now proposed to amend the object clause as indicated in the resolution.

Copy of the Memorandum and Articles of Association of the Company are available for inspection at the registered office of the Company between the hours of 10.00 a.m. and 1.00 p.m on all working days.

None of the directors of the Company is concerned or interested in the resolution.

ITEM NO. 6

The Authorised share capital of the Company presently stands at Rs. 7.5 crores divided into 75,00,000 lakhs Equity Shares of Rs. 10/- each. With the expansion of the Company's business, it is necessary to increase the authorised capital of the Company from Rs. 7.5 crores to Rs. 10 crores by creation of 25,00,000 equity shares of Rs. 10/- each, which will rank pari passu in all respects with the existing equity shares in the Company. The proposed increase in the authorised capital of the Company requires the approval of the members in General Meeting. *Consequent upon the increase in Authorised Capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the increase in share capital.*

The Board recommend that the resolution be passed as a special resolution. None of the directors are in any way concerned or interested in the resolution.

ITEM NO. 7

As you all are aware the Company has now embarked on restructuring its operation in view of the emerging scenario in the field of Biotechnology. In order to address the losses made by the Company during the last few years and to help in its restructuring operations, the promoters have infused lot of funds. For this purpose it is proposed that the said amount be converted into equity shares of the Company.

In accordance with Section 81(1A) and in pursuance of SEBI Guidelines, consent of the members of the Company by way of special resolution is required to be obtained for issuing/ allotting shares.

Dr. K.K. Rao is interested in the said resolution to the extent of allotment of shares to himself.



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Directors' Report

To

The Members,
M/s Transgene Biotek Limited
Hyderabad.

The Directors hereby take the pleasure in presenting the X Annual Report on the business and operations of the Company and the Financial accounts for the year ended 31st March 2000.

Financial Highlights

	<u>31.3.2000</u>	<u>31.3.1999</u>
Gross Operating Profit	15,41,178	51,84,792
Interest and Finance Charges	90,88,827	1,82,55,535
Depreciation	—	47,52,939
Amortisation	—	6,21,343
Profit before Tax/Loss	(75,47,648)	(1,84,45,025)
Provision for tax	—	—
Net Profit/Loss for the year	(1,66,40,301)	(1,87,00,948)
Add : Brought forward Profit/Loss of previous year	(11,34,37,086)	(9,47,36,139)
Profit/Loss Carried to Balance Sheet	(13,00,77,387)	(11,34,37,086)

The directors are unable to recommend for any dividend since the company is incurring heavy losses.

Operations

As you all are aware as part of the understanding the new promoters of the TVL have agreed to utilise the facilities of our Company on lease basis. This understanding is still continuing and further the Company has entered into one time settlement with IDBI and SBI.