

TRANSGENE BIOTEK LIMITED



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**12TH ANNUAL REPORT
2001-2002**



TRANSGENE BIOTEK LIMITED

Regd. Office : 68, 69 & 70, Anrich Industrial Area,
I.D.A. - Bollaram, Medak District.

NOTICE

Notice is hereby given that an Extraordinary General Meeting of the members of TRANSGENE BIOTEK LIMITED will be held on Monday the 21st of July, 2003 at its Registered Office situated at Regd. Office : 68, 69 & 70, Anrich Industrial Area, I.D.A., Bollaram, Medak District. at 11.00 a.m. to transact the following business :

1. 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 Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Memorandum and Articles of Association of the Company and of the subsisting guidelines/regulations prescribed by the Government of India / Reserve Bank of India (RBI) / Securities and Exchange Board of India or any other relevant authority to the extent applicable and subject to such approvals, consents, permissions and sanctions, as may be stipulated by any of them while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) be and are hereby authorised on behalf of the Company to issue, offer and allot 10,00,000 (Ten Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each on preferential basis, out of which 4,00,000 (Four lakhs) equity shares of Rs. 10/- (Rupees Ten only) be issued to Batterymarch Financial Management, Inc, Boston, USA and 6,00,000 (Six lakhs) equity shares of Rs. 10/- (Rupees Ten only) be issued to such FI's/ OCB's / FI's / Promoters / Mutual Funds duly registered with SEBI, in one or more tranches, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit at a price not less than Rs. 60/- (Rupees Sixty only) as determined by the Board which is in accordance with the subsisting SEBI guidelines in this behalf".

"FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) be and are hereby authorised on behalf of the Company to issue, offer and allot 10,00,000 (Ten lakhs) fully convertible warrants of Rs. 10/- (Rupees Ten only) each, with an option to convert each one of them into one equity share of Rs. 10/- each, after a period of one year at a conversion price of Rs. 125/- (Rupees One hundred and Twenty five only) which is in accordance with the subsisting SEBI guidelines in this behalf, on preferential basis, out of which 4,00,000 (Four lakhs) fully convertible warrants of

Rs. 10/- each (Rupees Ten only) be issued to Batterymarch Financial Management, Inc, Boston, USA and 6,00,000 (Six lakhs) fully convertible warrants of Rs. 10/- (Rupees Ten only) be issued to the respective FII's / OCB's / FI's / Promoters / Mutual Funds to whom the aforesaid shares are being issued".

"FURTHER RESOLVED THAT the equity shares allotted pursuant to the aforesaid resolution shall in all respects rank pari passu with the existing equity shares of the Company except that unless otherwise specified by the Board at the time of issue and allotment of equity shares with regard to any dividend in respect of Company's financial year in which these shares are allotted, they shall be eligible for pro-rata dividend, if any, on the amount actually paid upon them and proportionate to the period beginning from the date of their allotment".

"FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desired and to accept any modifications in the above proposal as may be required by the authorities involved in such issues and also to settle any questions or difficulties that may arise in regard to the offer, issue and allotment of equity shares and further to do all such acts and execute such deeds, documents and writing in connection with the issue of equity shares, entering into such other agreements and as may be necessary".

By order of the Board

Date : 24.06.2003
Place : Hyderabad

Sd/
Dr. K. KOTESWARA RAO
Managing Director

Notes :

1. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and such proxy need not be a member of the company. Proxy in order to be effective must be deposited with the Company not less than 48 hours before the meeting.
2. An Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 is attached.
3. Members / Proxies should bring the Attendance slip duly filled in for identification for attending the meeting.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 1

Your Company is proposing to offer and issue 10,00,000 equity shares of Rs. 10/- each, out of which 4.00 lakh equity shares are to be issued to Batterymarch Financial Management, Inc, Boston, USA at a premium of Rs. 50/- per share for cash, on preferential basis and the remaining 6.00 lakh shares will be issued to FII's / NRI's/ OCB's/Promoters/Mutual Funds registered with SEBI along with 10,00,000 fully convertible warrants of Rs. 10/- each convertible into one equity share of Rs. 10/- each after a period of one year at a conversion price of Rs. 125/-, out of which 4,00,000 fully convertible warrants are to be issued to Batterymarch Financial Management, Inc, Boston, USA on preferential basis and the remaining 6.00 lakh convertible warrants will be issued to FII's/NRI's/OCB's/Promoters/Mutual Funds registered with SEBI to whom the above shares are to be issued. Both the issues are simultaneous and are not independent.

As per regulation 13.1A of SEBI (Disclosure and Investor Protection) Guidelines, 2000 the required details are furnished hereunder.

1. Objective of the Present Issue

The Objective of the present issue of equity shares on preferential basis is :

- To set-up a manufacturing facility at the present building located at 68, 69 & 70, IDA, Bollaram, Medak District, A.P. for the production of quadrivalent Meningococcal meningitis vaccine, which is one of the three products coming out of the collaborative venture between your company and M/s. JN International, Inc., USA. World Health Organization has already expressed its strong desire to purchase this vaccine subject to the satisfactory compliance of certain guidelines.
- To continue with the progress in the development of several other products such as Hepatitis C vaccine, Erythropoietin and Interferons, etc.
- To pay off the outstanding institutional debts.

2. Pricing

The issue of equity shares on preferential basis shall be at Rs. 60/- (Rupees Sixty only), in accordance with regulation 13.1.1.1 of SEBI Guidelines for preferential issue of equity shares.

The issue of fully convertible warrants on preferential basis at a conversion price of Rs. 125/- (Rupees one hundred and twenty five only), per share at the end of twelve months period is in accordance with regulation 13.1.1.1 of SEBI Guidelines for preferential issue of convertible warrants.

3. Intention of promoters / Directors / Key Management persons to subscribe to the offer.

The Promoters/Directors/Key Management persons have the intention to subscribe to the issue.'

4. Relevant Date

"Relevant Date" for this purpose is the date 30 days prior to the date of this meeting of the members of the Company, i.e., 19th June, 2003.

5. Shareholding Pattern of the Company before and after the issue

The pattern of shareholding before and the one likely to emerge after the proposed allotment would be as under :

	Before the issue		After the issue	
Category	No. of Shares	% of holding	No. of Shares	% of holding
Promoter Group	44,04,000	55.46%	44,04,000	49.26%
NRI's/FII's/OCB's / Batterymarch	6,00,032	7.56%	16,00,032	17.90%
Mutual Funds and UTI	NIL	NIL	NIL	NIL
Bank's / Financial Institutions.	NIL	NIL	NIL	NIL
Insurance Companies	NIL	NIL	NIL	NIL
Private Bodies Corporate	1,36,615	1.72%	1,36,615	1.53%
Trusts	NIL	NIL	NIL	NIL
General Public	27,99,353	35.26%	27,99,353	31.31%
Total	79,40,000	100	89,40,000	100

After the allotment of preferential issue of shares, the promoters and associates holding will be decreased to 49.26%

6. The identity of the proposed allottees and the percentage of the preferential issue that may be held by them.

Name of the Party	Pre issue holding	% to Equity	Shares to be allotted in the present issue	Post issue / conversion holding	% to Equity
Batterymarch - Equity Shares	NIL	NIL	4,00,000	4,00,000	4.48%
Batterymarch - Convertible warrants	NIL	NIL	4,00,000	4,00,000	-
FII's / OCB's / FI's Promoters / Mutual Funds registered with SEBI - Equity Shares	NIL	NIL	6,00,000	6,00,000	6.71%
FII's / OCB's / FI's Promoters / Mutual Funds registered with SEBI - Convertible Warrants	NIL	NIL	6,00,000	6,00,000	-

7. Auditor's Certificate

A certificate, as required under SEBI Guidelines, certifying that the proposed issue is in accordance with the said Guidelines has been obtained from the Auditors of the Company and will be available for inspection seven days prior to the date of EGM at the Registered Office of the Company between 2.00 p.m. to 4.00 p.m. on any working day.

8. Lock-in

The equity shares and fully convertible warrants to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI Guidelines in this behalf.

9. Terms of Issue of Convertible Warrants

The Fully Convertible Warrants shall be converted into Equity Shares after a period of one year and the investor has the option for exercising his right for conversion of the warrants into shares. 10% of the price should be paid on the date of allotment of the said warrants.

The fully convertible warrants shall be forfeited, if the warrant holder fails to exercise his option of conversion into equity after one year from the date of allotment of the said warrants.

10. Change in Management

The issue of equity shares and convertible warrants as aforesaid will not result in any change in the management or control of the Company.

The Company is taking necessary steps to obtain the requisite approvals from regulatory agencies, as may be applicable, for the proposed investment.

As per the listing agreement entered into by the Company with various Stock Exchanges where the Company's Equity Shares are listed and the provisions of Section 81 (1A) of the Companies Act, 1956 provide inter alia that allotment of further shares, such shares shall be first offered to the existing shareholders of the Company for subscription in proportion to their shareholding, unless the shareholders decide otherwise in a general meeting by a special resolution. As it is proposed to issue the shares to other than the existing shareholders of the company, the above resolution is required to be passed. Hence this resolution is placed before you for approval.

None of the Directors of the Company is concerned or interested except to the extent of their shareholding.

By order of the Board

Sd/

DR. K. KOTESWARA RAO
Managing Director

Date : 24.06.2003
Place : Hyderabad

TRANSGENE BIOTEK LIMITED

Plot Nos. 68,69 & 70, Anrich Industrial Area, I.D.A. - Bollaram, Medak District, A.P.

PROXY

I / We of at the District of
 being a member / members of the above named company hereby appoint of
 in the District of failing him / her of
 in the District of as my / our Proxy to attend on my / our
 behalf at the Extraordinary General Meeting of the TRANSGENE BIOTEK LIMITED being held at Plot
 Nos. 68,69 & 70 Anrich Industrial Area, I.D.A. - Bollaram, Medak District, A.P. on Monday 21st July,
 2003 at 11.00 a.m.

Signed this day of 2003

Signature

Regd. Folio No. Client ID No. No. of Shares

Strike out whichever is not desired.

Note : This Proxy form duly completed should be deposited at the Registered office of the Company not
 later than 48 (Forty Eight) hours before the time fixed for holding of the meeting.

TRANSGENE BIOTEK LIMITED

Plot Nos. 68,69 & 70, Anrich Industrial Area, I.D.A. - Bollaram, Medak District, A.P.

ATTENDANCE SLIP

I hereby record my presence at the Extraordinary General Meeting at Plot Nos. 68,69 & 70 Anrich
 Industrial Area, I.D.A. - Bollaram, Medak District, A.P. on Monday, 21st July, 2003 at 11.00 a.m.

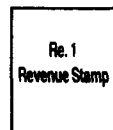
Member's Name

(In capital letters)

Name of the Proxy

(In capital letters)

Member's / Proxy Signature Regd. Folio No. Client ID No.

**NOTE:**

1. Shareholder / Proxy Holder wishing to attend the meeting must bring Attendance slip to the Meeting and handover at the entrance duly signed.

BOOK - POST



If undelivered please return to:

TRANSGENE BIOTEK LIMITED

**Regd. Office: Plot Nos. 68,69 & 70,
Anrich Industrial Area, I.D.A. - Bollaram,
Medak District. Andhra Pradesh, INDIA.**

TRANSGENE BIOTEK LIMITED

TRANSGENE BIOTEK LIMITED

BOARD OF DIRECTORS :

1. Dr. K. KOTESWARA RAO	CHAIRMAN AND MANAGING DIRECTOR
2. Prof. N.C. SUBRAMANYAM	DIRECTOR
3. SRI . P. NARAYANA MURTHY	DIRECTOR
4. Dr. C. BASANT KUMAR	DIRECTOR
5. SRI.S.S. MARTHI	DIRECTOR

REGISTERED OFFICE :

Plot No.68,69 & 70
Anrich Industrial Area,
Bollaram.
Medak District -A.P.

FACTORY :

Plot No.68,69 & 70
Anrich Industrial Area,
Bollaram.
Medak District -A.P.

BANKERS :

BANK OF INDIA
Ameerpet Branch.

AUDITORS :

M/s. SARATH & ASSOCIATES,
CHARTERED ACCOUNTANTS,
102, Gowri Apartments,
3-6-195/B, Urdu Lane,
Himayat Nagar,
HYDERABAD.