



TRANSGENE BIOTEK LIMITED

25th Annual Report 2014 - 2015

Reaching out to New Horizons



TRANSGENE
BIOTEK LIMITED
INNOVATING FOR LIFE

TWENTY FIFTH ANNUAL REPORT 2014-2015

BOARD OF DIRECTORS

Dr. K. Koteswara Rao Chairman &
Managing Director

Dr. Puranik Sarang Subhash Director

Mr Shyam Shankar Das Director

Mrs. Sujana Kadium Director

Registered Office

Plot Nos. 68,69 & 70
anrich Industrial Area,
IDA Bollaram,
Medak District. T.S.

Factory

Plot Nos. 68,69 & 70
Anrich Industrial Area,
IDA Bollaram,
Medak District. T.S.

Auditors

M/s. Gopal & Rajan
308, Babukha's,
Ameesh Towers,
Padmarao Nagar,
Secunderabad - 500 025.

Bankers

Union Bank of India

Jubilee Hills Branch,
Hyderabad.

Share Transfer Agents

M/S Bigshare Services Pvt. Ltd.

306, 3rd Floor, Right Wing,
Amrutha Ville, Bhavan Road,
Somajiguda, Hyderabad - 500 082.



TRANSGENE BIOTEK LIMITED

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of **M/S. TRANSGENE BIOTEK LIMITED** will be held on Wednesday, the 30th September, 2015 at 15.30 Hours at 68, 69 & 70, Anrich Industrial Area, Bollaram, 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, 2015, the 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 Sri Sarang Subhash Puranik who retires by rotation and being eligible offers himself 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 Gopal & Rajan, Chartered Accountants as Statutory Auditors of the Company made pursuant to the resolution passed by the members at the 24th Annual General Meeting of the company held

on 31st December 2014, be and are hereby appointed 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 26th Annual General Meeting of the Company to be held in year 2016 to examine and audit the accounts of the Company for the Financial Year 2015-16 at such remuneration to be fixed by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS

4. APPOINTMENT OF INDEPENDENT DIRECTOR

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

"RESOLVED THAT Ms. Sujana Kadium, who was appointed as an Woman Independent Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By the Order Of the Board
For **TRANSGENE BIOTEK LIMITED**

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

PLACE: HYDERABAD
DATE: 04.09.2015

TWENTY FIFTH ANNUAL REPORT 2014-2015

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The relevant details of the directors seeking appointment under Item Nos. 2 and 4, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange are annexed.
3. Register of members and share transfer books of the company will remain closed from 28-09-2015 to 30-09-2015 (both days inclusive). Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
4. Members, who are holding shares in the identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.
5. As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members of the Company in respect of shares held by them. The members, who wish to nominate a person, may furnish the required details to the Company in prescribed form.
6. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure,

members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses. In respect of electronic holdings, with the Depository through their concerned Depository Participants and members who hold shares in physical form are requested to register the same with our RTA, Bigshare Services Pvt Ltd, 306, Right Wing, Amruta Ville, Opp Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad 500082.

7. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of the Clause - 35B of the Listing Agreement read with Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 25th Annual Report of the company and the business may be transacted through e-voting. The company has engaged the services of Central Depository Services Limited (CDSL) as the authorized agency to provide the e-voting facility.

The instructions for shareholders voting electronically are as under:

Mr. M V R Murthy, Membership No.21661, Practising Company Secretary, is appointed as scrutinizer to conduct E-voting.

STEPS FOR E-VOTING

- (i) The voting period begins on 26th September, 2015 at 9.00 a.m. and ends on 29th September, 2015 at 5.00 P.M. 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 23rd September, 2015 may cast their vote electronically. The e-voting module shall



TRANSGENE BIOTEK LIMITED

<p>be disabled by CDSL for voting thereafter.</p> <p>(ii) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on 23rd September, 2015</p> <p>(iii) The shareholders should log on to the e-voting website www.evotingindia.com.</p> <p>A) Click on Shareholders.</p> <p>B) Now enter your User ID :</p> <p>a. For CDSL: 16 digits beneficiary ID,</p> <p>b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</p> <p>c. Members holding shares in Physical Form should enter Folio Number registered with the Company.</p> <p>(iv) Next enter the image verification as displayed and Click on Login.</p> <p>(v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.</p> <p>(vi) If you are a first time user follow the steps given below:</p>	<table border="1"> <tr> <td></td><td>less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</td></tr> <tr> <td>DOB</td><td>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</td></tr> <tr> <td>Dividend Bank Details</td><td> <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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). </td></tr> </table>		less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.	DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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).
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<table border="1"> <tr> <td>PAN</td><td> <p>For Members holding shares in Demat Form and Physical Form</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is </td></tr> </table>	PAN	<p>For Members holding shares in Demat Form and Physical Form</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is 	<p>(vii) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.</p>				
PAN	<p>For Members holding shares in Demat Form and Physical Form</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <p>(Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is 						

TWENTY FIFTH ANNUAL REPORT 2014-2015

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| <p>(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p> <p>(x) Click on the EVSN (150908048) for the relevant TRANSGENE BIOTEK LIMITED on which you choose to vote.</p> <p>(xi) 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.</p> <p>(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.</p> <p>(xiii) 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.</p> <p>(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.</p> <p>(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.</p> <p>(xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.</p> | <p>(xvii) Note for Non-Individual Shareholders & Custodians:</p> <ul style="list-style-type: none"> ● 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 as Corporates and Custodians respectively. ● 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 they have to create 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. ● 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. <p>(xviii) 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.</p> |
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TRANSGENE BIOTEK LIMITED

Information required to be furnished under clause 49 of the listing agreement for directors seeking appointment/reappointment in forthcoming annual general meeting:

I

Name of Director	Mr.Sarang Subhash Puranik
Date of Birth	30/07/1979
Date of Appointment	31/12/2014
Qualification	PhD
Expertise	Microbiology, Immunology & Nanobioscience
Other directorship	None
Chairman/Members of the Committee in other Companies	None
No of shares held in the Company	None

II

Name of Director	Ms. Sujana Kadium
Date of Birth	06/02/1983
Date of Appointment	17/04/2015
Qualification	Post Graduate
Expertise	HR Professional
Other directorship	Nil
Chairman/Members of the Committee in other Companies	Nil
No of shares held in the Company	Nil

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

ITEM NO. 4

Ms Sujana Kadium was appointed as an Additional Director on the Board of the Company w.e.f. April 17, 2015. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 read with the Articles of Association of the Company, Ms Sujana Kadium holds office upto the date of this 25th Annual General Meeting. The Company has received notice under Section 160 of the Companies Act, 2013 from a member proposing the candidature of Ms Sujana Kadium as an Independent Director of the Company, liable to retire by rotation along with the prescribed deposit of Rs.1,00,000/-.

Save and except Ms Sujana Kadium, none of the other Directors / Key Managerial Personnel and

their relatives are in any way, are concerned or interested, financially or otherwise, in the resolution set out in item no. 4.

Ms Sujana Kadium is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given her consent to be appointed as a Director.

The Board recommends the appointment of Ms Sujana Kadium as Independent Director liable to retire by rotation and propose to pass the resolution set out in Item No. 4 of the notice as an Ordinary Resolution.

By the Order Of the Board
For **TRANSGENE BIOTEK LIMITED**

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

PLACE: HYDERABAD
DATE: 04.09.2015

TWENTY FIFTH ANNUAL REPORT 2014-2015

DIRECTORS REPORT

Dear Shareholders

Your Directors invite you to the 25th Annual Report on the business & operations of the company and Audited Statement of Accounts for the year ended 31st March, 2015 along with the Auditor's Report thereon.

Financial Results :

	(Rs. in Lakhs)	
Particulars	2014-15	2013-14
Total Income	33.27	178.11
Operational, Administration and other expenses	1946.22	2002.42
Gross Operating Profit	(1912.94)	(1824.31)
Interest and Financial Charges	35.97	0.48
Forex Gain/Loss	0.00	0.00
Depreciation	1718.05	1721.55
Profit before Tax/Loss	(1913.55)	(1819.10)
Provision for Tax	0.00	0.00
Net Profit	(1913.55)	(1819.10)

OPERATIONS

The total turnover of the company for the year ended 31st March, 2015 amounted to Rs. 33.27 Lakhs as against Rs.178.11 Lakhs in the previous year. The company incurred a net Loss of Rs. 1913.55 Lakhs for the year as against a loss of Rs.1819.10 Lakhs in the previous year.

Review and results of operations

As can be seen, although we started the production of DHA at the purpose built cGMP compliant biologics manufacturing facility at our partner's plant in our vicinity, we are facing tough challenges in pushing the product into markets in spite of the quality of the product produced being consistently good, possibly due to our inability to campaign and undertake

certain strategic marketing activities. We are hampered by our inability to raise any finances for marketing operations due to adverse impact from the unfortunate SEBI order passed last year on the Directors and promoters.

The operations of the company have been severely impacted to a significant level due to lack of financial support following the SEBI interim order on the Directors and promoters of the company in November 2014. This matter is being addressed through available legal channels.

Likewise, operations of the company have been impacted due to lack of sufficient financial support from banks and institutions as a result of adverse impact from SEBI order. The management is trying hard to overcome such challenges through available means at its disposal.

The management has been continuing its efforts to probe further into the GDR issue and making lot of efforts to recover the funds transferred illegally from its accounts at Investec bank, Zurich and from the account of its subsidiary Transgene Biotech HK Ltd at Standard Chartered Bank, Singapore. These are in addition to the steps taken to recover from the Indian entities who organized the creation of forged documents used in the said illegal transfer of funds from its accounts.

Projects and products

DHA: As reported already, production of DHA is continuing but at a much lower pace at our partner's facility Rampex Labs Pvt Ltd.

Other projects: All other projects in this division are put on hold till the prevailing adverse impact from SEBI order and working capital problems are overcome.



TRANSGENE BIOTEK LIMITED

BIO-INNOVATIONS

The entire division of bio-innovations has been adversely impacted in its progress due to the company's inability to raise financial resources at this crucial period of the product and technology development.

TrabiORAL™ - Oral delivery of protein and peptide drugs

TrabiORAL™ technology continues to hold tremendous opportunity and continues to advance albeit on a much slower pace due to prevailing financial challenges.

ONCOLOGY

The entire oncology division has been adversely impacted due to lack of sufficient financial support at this crucial juncture of product development.

TBL-0306 a monoclonal antibody drug has almost come to a standstill due to lack of funding support for advancing to the next stage of studies.

RNAi DRUGS

As in the case of monoclonal antibody drugs, there has been a real challenge to push through RNAi drugs although these molecules hold a tremendous potential. It requires continuous funding support which is lacking at present to exploit such a potential.

TBL-0404 Liver Cancer Drug

Transgene's patented and proprietary AAV genetically modified delivery system.TBL-0404

is advancing well among cancer projects division.

TBL-0905 Breast Cancer Drug

Since the delivery system being the same as for TBL 0404, the management has decided to keep this drug development on hold till the other RNAi drug reaches a next critical inflection point in the drug development cycle.

Intellectual property and patents: All the patents filed so far are reaching national level stages. The management is happy to report that siRNA drug against Liver cancer is tentatively approved for USA patent and the management is taking steps to conclude the final steps in securing it. As reported regularly, Transgene as a research-based biotechnology company, we continue to focus on innovation and shall continue to prioritise the available sparse resources in developing innovative drugs.

Though AI we believe that our patents provide certain protection from competition, we caution that such patents may not be of substantial protection or of commercial benefit to us and they may not afford us adequate protection from competing products, or they will not be challenged or declared invalid in future.

Employee: The management is trying to manage the available financial resources consolidating the strength of existing employees with a view to create value that benefits the company and employees alike.

DIVIDEND

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

TWENTY FIFTH ANNUAL REPORT 2014-2015

GROWTH PLANS AND OUTLOOK AT TRANSGENE

The adverse impact of SEBI order on the board of Directors and promoters of the company has put your company in a challenging position and the management is trying hard to overcome all those challenges and rediscover the path of development. The management is exploring various opportunities and possibilities in overcoming those challenges and put the strong product development cycle on a sound footing so as to complete the development of each product to its objective. Since the data generated is getting more robust as more studies are conducted, it only reinforces the novelty, inventiveness and value accrued in each product as we move into future with the company. Your management is exploring various possibilities to 'reinvent' the progress on various products under development with significant inherent value.

Subsidiary Company

There are no activities undertaken at the subsidiary during the year 2014-15.

As on March 31, 2015, TBL HK Limited remains as the wholly owned subsidiary of the Company. In terms of the Section 129 of the Companies Act, 2013 the Balance Sheet, Profit and Loss Account and other documents of this company is attached with the Balance Sheet of the Company. 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"

Regarding the irregularities identified in the earlier years pertaining to GDRs and the monies routed through Transgene Biotek HK, the management has appointed a law firm in Singapore for recovery of funds routed through the subsidiary but not accounted for properly.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, pursuant to Clause 49 of the Listing Agreement, forms part of this Report and is annexed hereto as "Annexure B".

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. 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. Gopal & Rajan, Chartered Accountants confirming the compliance with the conditions of Corporate Governance as Stipulated under Clause 49 of the Listing Agreement is included as part of this report as "Annexure D"

LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fee for the year 2014-15 to BSE where the Company Shares are listed.

DEMATERIALISATION OF SHARES

85.75% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2015 and balance 14.25 % 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.