

24th Annual Report
2013 - 2014

Reaching out to New Horizons



TRANSGENE
BIOTEK LIMITED
INNOVATING FOR LIFE

BOARD OF DIRECTORS

Dr. K. Koteswara Rao	Chairman & Managing Director
Dr. P. K. Ghosh	Director
Sri S S Marthi	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

Sarath & Associates
Chartered Accountants
4th Floor, Mass Heights,
H.No. 8-2-577/B, Road No. 8
Banjara Hills,
Hyderabad - 500 034

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.



NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of M/S TRANSGESNE BIOTEK LIMITED will be held on Wednesday, the 31st December, 2014 at 11.00 A.M. 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, 2014, the Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report thereon.

2. 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 Gopal & Rajan, Chartered Accountants, 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 27th Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors in consultation with the Auditors in the place of retiring auditors M/s Sarath & Associates, who retire by rotation and does not offer themselves for reappointment."

SPECIAL BUSINESS :

3. APPOINTMENT OF DIRECTOR

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

"RESOLVED THAT pursuant to the provisions

of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Sarang Subhash Puranik be and is hereby appointed as a Director and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director liable to retire by rotation to hold office up to the conclusion of the 25th AGM of the Company.

4. APPOINTMENT OF DIRECTOR

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

"RESOLVED THAT pursuant to the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Shyam Shankar Das be and is hereby appointed as a Director and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director liable to retire by rotation to hold office up to the conclusion of the 25th AGM of the Company.

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

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

PLACE: HYDERABAD
DATE: 06.12.2014

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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, 3 and 4 above, 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 29-12-2014 to 31-12-2014 (both days inclusive). Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
4. 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.
5. 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.

6. 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 24th 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.ACS.21661) Practising Company Secretary, is appointed as scrutinizer to conduct E-voting.

STEPS FOR E-VOTING

- (i) The voting period begins on 26th December, 2014 at 9.00 a.m. and ends on 27th December, 2014 at 6.00 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 28th November, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (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 28th November, 2014.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the image verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below :

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
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	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).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) 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.

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- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant TRANSGENE BIOTEK LIMITED on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) 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.
- (xix) Note for Non-Individual Shareholders & 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 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 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.
 - 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.
- (xx) 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.



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	Mr.Shyam Shankar Das
Date of Birth	05/10/1968
Date of Appointment	31/12/2014
Qualification	M.Tech
Expertise	Fermentation based Bio-technology
Other directorship	None
Chairman/Members of the Committee in other Companies	None
No of shares held in the Company	None

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

ITEM NO. 1

Mr. Sarang Subhash Puranik, is proposed to be appointed as Director of the company liable to retire by rotation. The company has received a notice from the member proposing his candidature for appointment as Director of the company.

None of the Directors other than Mr. Sarang Subhash Puranik himself is concerned or interested in the proposed resolution.

ITEM NO.2

Mr. Shyam Shankar Das, is proposed to be appointed as Director of the company liable to retire by rotation. The company has received a notice from the member proposing his candidature for appointment as Director of the company.

None of the Directors other than Mr. Shyam Shankar Das himself is concerned or interested in the proposed resolution.

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

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

PLACE: HYDERABAD
DATE: 06.12.2014

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DIRECTORS REPORT

Dear Shareholders,

Your Directors invite you to the 24th Annual Report on the business & operations of the company and Audited Statement of Accounts for the year ended 31st March, 2014 along with the Auditor's Report thereon.

Financial Results :

Particulars	(Rs. in Lakhs)	
	2013-2014	2012- 2013
Total Income	181.31	1509.00
Operational, Administration and other expenses	278.82	1590.95
Gross Operating Profit	(99.51)	(81.95)
Interest and Financial Charges	0.05	19.98
Forex Gain/Loss	0.00	0.00
Depreciation	1721.55	101.51
Profit before Tax/Loss	(1821.11)	(203.44)
Extraordinary Items	11522.13	0.00
Provision for Tax	0.00	0.00
Net Profit	(13341.24)	(203.44)

Review and results of operations

As informed earlier, we have started the production of first of a series of biogenerics at the purpose built cGMP compliant biologics manufacturing facility at our partner's plant in our vicinity.

Now coming to the operations of your company, this year also signifies several new changes to your company at the board level, administrative and managerial levels. This new and emerging structure makes your company more functional than at any time in the past since its inception in 1991.

A noteworthy aspect in this emerging structure is the new Board of Directors to be elected to be approved by the shareholders. Your company is now embarking on a new direction that hopefully leads to the long expected results that are eluding all these years.

As a part of the emerging scenario, the outgoing Board and management have segmented the product pipeline into two broad categories: Biologics and Bio-innovations. Within each category the pipeline is prioritized on the deliverability and commercial realization at the earliest.

SEBI INTERIM ORDER :

Securities & Exchange Board of India (SEBI) vide its Interim Order No. WTM/RKA/ISD/136/2014 dated November 20, 2014 had made certain comments in the matter pertaining to the funds raised in the GDR Issue of the Company and inter alia, refrained, the Company from issuing securities.

We wish to place before the shareholders that Order has been passed without giving the Company or its Directors an opportunity of being heard. The Board has decided to contest the said Order of SEBI at the appropriate forum. As regards the amounts involved, as stated above, the Company is taking steps to independently evaluate the matter and would initiate efforts to protect the interests of all the shareholders.

AUDITORS' COMMENTS

As regarding comments of the Auditors under "Emphasis of Matter" the replies of the Management are as under:-

- 1) As regards their comment on the Investments made in the Wholly Owned subsidiary company is concerned, it is stated that due to the resignation of M/s Anchorman Limited as the Director of the Company with effect from 24.9.2013 without informing the Indian Parent Company, there is no one to look after the affairs and now Mr. K Koteswara Rao was appointed as Sole Director with effect from 24.11.2014. The appointed Auditor also resigned and new Auditors were appointed with effect from November 2014 and due to paucity of time, the new



Auditors could not get full evidence which resulted in they stating disclaimer of opinion. Your Directors are confident that these aspects would be suitably addressed in the coming days;

- 2) As regards their comment on the going concern aspect mentioned in para No.2, your Board reiterate the stand/course of action mentioned above and are confident that the order of SEBI will have no impact on the Company as a going concern.
- 3) As regards their comment in para No.3, the Board is in the process of taking Expert's Opinion and appropriate course of action;
- 4) As regards their comment in para No.4, the Board is of view that the amounts stated therein are fully recoverable and Board had already initiated appropriate process.

As regards comments of the Auditors under "Report on other Legal and Regulatory requirements" under various clauses, your Directors had already initiated the process of strengthening the systems and procedures and also assure the shareholders that they will take all the steps which are necessary for protecting the interests of all the shareholders.

The comments of the Auditors in respect of Technology are self-explanatory read with the Notes to the Schedule of Fixed Assets.

BIOLOGICS

As stated above, your management wishes to focus on deliverables as a priority, hence wishes to commercialise each biological product in series after stabilization of production and marketing of each product.

The three biologics in the pipeline are DHA, Orlistat and Tacrolimus as informed previously.

DHA : As reported regularly during the quarterly results, your company entered into a Manufacturing and Marketing agreement with a pharmaceutical intermediates manufacturing and marketing company, Rampex Labs Pvt Ltd, located in the same industrial estate as your company Transgene Biotek Ltd.

Rampex Labs Pvt Ltd is a pharmaceuticals intermediates manufacturing company with a marketing prowess to various parts within and outside India.

Rampex has constructed a purpose built cGMP compliant Biologics manufacturing facility for the purpose of manufacturing and marketing the biologics developed by your company. Transgene granted an exclusive non-transferable license to Rampex for Transgene to transfer its technology for the manufacture and commercialization of DHA using the scientists of Transgene for the production. The period of license is for 10 years.

With the plant being new and purpose built for the production of biological, the management of your company hopes to utilize that facility for additional biologics once the DHA production and commercialization is stabilized. The management also expects Rampex to get the cGMP certification for DHA production for its entry into regulated markets that provides significant value addition although the management expects stiff resistance from the global majors in those markets.

ORLISTAT : Since the earlier agreement with DRL did not turn out to be a mutually beneficial relationship, this product with its technology is to be handed back to your company for it likely to be produced at the new Rampex plant once the path is clear.

TACROLIMUS : The agreement with Atral Cipan of Portugal has been terminated because of inordinate delay in commercial production of this product. The management is exploring for a similar arrangement with

another pharmaceutical company for the manufacturing and commercialization of this product as in the case of DHA.

BIO-INNOVATIONS

TrabiOral™ - An innovative technology for delivery of protein and peptide drugs through oral route

TrabORINTM - Oral Delivery of Insulin

TrabORINTM is a proprietary encapsulated formulation that effectively and efficiently delivers the required dosage of insulin into the bloodstream, in a sustained release that avoids the 'crests and troughs' profile of blood glucose levels that many diabetic patients suffer from via subcutaneous insulin injections. TrabORINTM, which has the capacity to deliver large quantities (dosages) of insulin has demonstrated a very effective reduction of blood-glucose levels in two different strains of rats in a series of blind studies. These results highlight the ability of the TrabORINTM delivery technology to cross the GI barrier and deliver insulin into systemic blood circulation.

TrabiORAL™ - Oral delivery of protein and peptide drugs

TrabiORAL™ technology combines several novel inventions to produce an orally active transport system (mostly) for protein and peptide drugs. It employs TBL's proprietary conjugation technology and patented-encapsulation technology for amplification of the uptake mechanism in the GI tract resisting drug proteolysis. It's versatility has revealed an ability to deliver a variety of Protein and Peptide based drugs, from small molecules (e.g. 6kDa insulin) to larger molecules (e.g. 150kDa mAbs). TrabiORAL™ hence offers a tailored approach for each individual drug.

There is an ongoing dialogue with different pharma companies for out-licensing these technologies. In case of TrabiORINTM several new studies have been conducted during the

last year to demonstrate its unique mechanism of action and bioavailability in strengthening our defense during the ongoing dialogue.

ONCOLOGY

TBL-0306 - A novel monoclonal antibody drug

As reported last year, TBL-0306 a monoclonal antibody drug has been undergoing various studies. However, as a new initiative in restructuring the company's operations for improved functionality, the management wishes to focus on one clinical oncology drug at a time advancing it to the next critical milestone before on to moving to the next one. Therefore, TBL-0306 against Colon cancer is one of the drugs in oncology section prioritised to advance before moving on to Non-Hodgkin's Lymphoma and Multiple Myeloma. Likewise, the second mAb against Oesophageal cancer also has been put on hold.

RNAi DRUGS

Like in the case monoclonal antibody drugs, the list of RNAi drugs also have been prioritised.

TBL-0404 Liver Cancer Drug

TBL-0404 against Liver cancer is a new generation complex and highly advanced oncology drug employing tissue specific miRNA delivered through Transgene's patented and proprietary AAV genetically modified delivery system. TBL-0404 is advancing well with optimized transfection efficiency and improved purification protocol in order to produce the drug in larger quantities in preparation for the in-vivo studies.

TBL-0905 Breast Cancer Drug

As mentioned above, the management in its restructuring strategy plans to advance one drug in each category for optimal utilization and for better focus before moving on to the next in that section of the drug development pipeline. Accordingly, TBL-0905 against Breast cancer



is on a slow path till the other RNAi drug reaches a next critical inflection point in the drug development cycle.

Intellectual property and patents: As a research-based biotechnology and biological focused company, we apply innovative science and technology in search of new therapies for better living. We continue to prioritise our resources and focus on discovery activities to develop innovative, tissue and target specific drugs based on the individual's genetic make-up that is revolutionizing drug discovery. Accordingly, your company has been filing new patents and advancing the ones filed earlier to national phases.

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

Employee : The management is sad to report the death of one of our scientists involved in the accident along with two others. In spite of tremendous amount of care and money spent in providing highly specialized hospital care, the life could not be saved. The other two people involved in the same accident recovered well.

In line with the management's strategy mentioned above, we have consolidated the strength of our 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.

GROWTH PLANS AND OUTLOOK AT TRANSGENE

With the commencement of commercial

production of DHA to be followed by other biologics the future looks healthier than ever before. Likewise, the strategic restructuring to prioritise the product development of its R&D pipeline also is expected to yield the long awaited results in the coming year. The management continues to advance its dialogue with the MNC pharma companies to out-license at least one drug in its pipeline at the earliest. Since the data generated is getting more robust as more studies are conducted, it only reinforces the novelty, inventiveness and value accrue in each product as we move into future with the company.

DIRECTORS

With new SEBI guidelines\ amendments to Clauses 49 of the Listing Agreement and the Companies Act, 2013 coming into effect, the company has initiated steps to comply with the set guidelines.

As mentioned earlier, this is a year of change on several fronts, one of them being the induction of new Directors.

Dr. P. K. Ghosh and Sri S S Marthi have resigned as Independent Directors from the Board effective from 31st December, 2014.

Your Directors record their appreciation for their contribution to the company during their tenure as Independent Directors of the company.

S/Sri Sarang Subhash Puranik and Sri Shyam Shankar Das, are being inducted as directors of the company. A notice has been received from a Member proposing the candidature of S/Sri Sarang Subhash Puranik and Shyam Shankar Das for being appointed as Directors of the company.

Subsidiary Company

The management has informed SEBI the developments taken place at Transgene and its subsidiary Transgene HK.

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As on March 31, 2014, TBL HK Limited is the wholly owned subsidiary of the Company. In terms of the section 212(1) of the Companies Act, 1956, 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 212(1)(e) read with 212(3) of the Companies Act, 1956, relating to Company's Interest in this subsidiary company for the financial year under review is attached as Annexure-I to this report.

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.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Bombay Stock Exchange, is presented in a separate section forming part of the Annual Report.

Corporate Governance

The Board is committed to high standards of corporate governance which is the foundation of a sustainable and successful company.

In line with its adherence to the standards of Corporate Governance, the Board has initiated steps to scrutinize and to take remedial steps on some transactions taken place subsequent to GDR issues. As mentioned above, the management is to file criminal complaint covering several aspects, covering various areas and covering people involved.

The restructuring operations of the management are already in motion with focus on the functionality and accountability, be it the individual or product development.

The Company has taken adequate steps to ensure that all mandatory provisions of corporate Governance as prescribed under the listing agreement of the Stock Exchange with due compliance of all the applicable laws, rules and regulations. A separate report on Corporate Governance and the Auditor's certificate on its compliance are annexed hereto and forms part of this Annual report.

Auditors

M/s. Sarath & Associates, the present statutory auditors of the company have expressed their inability to continue as Auditors of the company in the light of the new provisions under the Companies Act, 2013 regarding the appointment of Statutory Auditors.

Hence it is proposed to appoint M/s. Gopal & Rajan, as the statutory auditors of the company from the conclusion of the ensuing AGM till the conclusion of the 27th AGM of the company.. The Company has received requisite certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and the rules framed thereunder.

Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

Employee Relations

Our success continues to be delivered by our employee talents. We value both genders, all ages, cultures, experiences and backgrounds as we build and grow our organization. Transgene is an Equal Opportunity employer and strives to ensure that there is no discrimination against anyone applying for a job or in employment for reasons related to race, religion, national origin, disability or on any other personal characteristics. What we do focus on is fostering our brave culture, which



aims to provide all our employees with a supportive environment that values diverse

opinions and experiences and enables individual, group and organizational success. In 2012-13 we focused on leveraging our diversity to drive our vision to imagine and lead the future of healthcare.

Transgene recognises that in an industry based on innovation, research and development, its employees are some of its biggest assets and it seeks to communicate and, where appropriate, consult with them on matters affecting them as employees, in the correct manner.

Particulars of employees

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company for the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

As per the Companies Act, 1956 the Directors wish to state:

The Directors are responsible for preparing the Annual Report and the financial statements in

accordance with applicable law and regulations. The Directors have elected to prepare the consolidated financial statements in conformity with accounting principles generally accepted in India.

The Directors confirm to the best of their knowledge:

- that the Financial Statements, prepared in accordance with accounting principles generally accepted in Indian Accounting Standards, present fairly, in all

material respects, the assets, liabilities, financial position and profit or loss of the company and undertakings included in the consolidation taken as a whole;

- the management report, which is incorporated into the Financial and Management review, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts for the year ended 31st March 2014 on a going concern basis.

CONSERVATION OF ENERGY, ENVIRONMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

In accordance with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 as applicable, the particulars relating to conservation of energy and technology absorption are given below.

A. Conservation of Energy, Power and Environment :

The Company continues its policy of giving priority to energy conservation measures including regular review of

energy generation and consumption and effective control on utilisation of energy. Efforts for conservation of energy and fuel consumption are ongoing processes in the Company and every effort is made in that direction.

B. Research & Development :

The Company has always considered Research and Development (R&D) as crucial for the sustained growth of the Company. The Company's R&D division continues to be recognized and certified under DSIR guidelines. With qualified and experienced research scientists manning the research and development activities, the Company has focused its thrust on new and innovative process and product development for the development of novel drug delivery processes, oncology drugs and manufacture of APIs.

C. Foreign Exchange Earnings :

Nil

D. Foreign Exchange Outgo :

Nil

ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the continued co-operation and support extended to the Company by all stakeholders including the banks, government institutions, Shareholders, Auditors, Customers, vendors and, business associates. Your Directors also thank the Trade and Consumers for their initiation in patronising the Company's products. Your Directors also place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels.

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

Sd/-

Dr. K. KOTESWARA RAO
CHAIRMAN &
MANAGING DIRECTOR

PLACE: HYDERABAD
DATE: 06.12.2014

D. NOTE OF CAUTION

This annual report includes forward-looking statements regarding Transgene's plans, prospects, strategies and performance, etc. The occurrence of any of the following risks described below and elsewhere in this document, including the risk that our actual results may differ materially from those anticipated in these forward looking statements, could materially adversely affect our business, financial condition, operating results or prospects and the trading price of our securities. Additional risks and uncertainties that we do not presently know or that we currently deem immaterial may also impair our business, financial condition, operating results and prospects and the trading price of our securities.

We may take longer to complete our pre-clinical or clinical trials than we expect, or we may not be able to complete them at all.

We forecast the commencement and completion of pre-clinical or clinical trials for planning purposes, but actual commencement or completion may not occur as forecasted or planned due to a number of reasons.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT**CORPORATE GOVERNANCE REPORT****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

Your Company is committed to maintain the prescribed standards of Corporate Governance and considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders in the Company and firmly believes in protecting their interests and investments to the best of their ability and that the same could be achieved by maintaining transparency in its dealings to the maximum possible level, creating robust policies and practices for key processes and systems with clear accountability, integrity, transparent governance practices and the highest standard of regulatory compliance.

The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the mandatory stipulations prescribed. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The requisite Certificate from the Auditors of the Company, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

BOARD OF DIRECTORS

The constitution of the Board is given below :

NAME OF THE DIRECTOR	STATUS	NO. OF OTHER PUBLIC DIRECTORSHIPS (*)	NO. OF MEMBERSHIPS ON BOARD COMMITTEES
DR.K. KOTESWARA RAO	CHAIRMAN & MANAGING DIRECTOR, PROMOTER	1	2
SRI S S MARTHI	INDEPENDENT	4	2
DR PK GHOSH	INDEPENDENT	2	1

(*) This excludes Directorships in Indian Private Limited Companies, membership of Managing Committees of various Chambers/bodies.

2. AUDIT COMMITTEE

An Audit Committee of the Company was constituted comprising of Sri S S Marthi, Dr P K Ghosh & K. Koteswar Rao. The company is in the process of reconstituting the committee based on the corporate governance norms, following the proposed induction of new Directors.

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TERMS OF REFERENCE

The terms of reference of the Audit Committee includes:

- To review the internal control systems
- To review Quarterly and Half-yearly results
- To review the accounting and financial policies and practices
- To review reports furnished by the internal and statutory auditors, and ensure that suitable follow-up action is taken.

During the financial year ended 31st March 2014, 4 (Four) meetings of the Committee were held on 30th May 2013, 15th August 2013, 15th November 2013 and 11th February 2014. The attendance of each member of the Committee is given below :

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
DR K KOTESWARA RAO	4
SRI S S MARTHI	4

3. SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprising of Dr K Koteswara Rao and Mr S S Marthi have been assigned the work for redressal of investor / Shareholder 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.

COMPLIANCE OFFICER

The Company is in the process of appointing a Compliance Officer for the company following the resignation of Ms.Srujana. and its acceptance.

4. REMUNERATION OF DIRECTORS

The details of remuneration paid to Directors are given below :

NAME OF THE DIRECTOR	RELATIONSHIP WITH OTHER DIRECTORS	SITTING FEE & INCIDENTAL EXPENSES Rs.)	SALARY & PERK (Rs)	TOTAL (Rs)
DR K KOTESWARA RAO	None	--	15,00,000	15,00,000
SRI S S MARTHI	None	--	--	--
Dr P K Ghosh	None	--	--	--



5. BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS & ANNUAL GENERAL MEETINGS

The Board of Directors of the company met 5 (Five) times during the last financial year i.e., 30th May 2013, 15th August 2013, 07th October 2013, 15th November 2013, and 11th February 2014, The company placed before the Board the annual operating plans and budgets and performance of the company from time to time. Information, which is materially important were placed before the Board Meeting as and when the same takes place.

The attendance at the Board Meeting and Annual General Meetings was as under

NAME OF THE DIRECTOR	ATTENDANCE AT BOARD MEETINGS	ATTENDANCE AT ANNUAL GENERAL MEETING
DR K KOTESWARA RAO	5	YES
SRI S S MARTHI	5	YES
DR P K GHOSH	2	NO

6. DISCLOSURES

Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its Promoters, the directors or the Management, their subsidiaries or relatives etc., that may have potential conflict with the interests of the company at large :

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.

7. MEANS OF COMMUNICATION

The company publishes its quarterly results in the Regional vernacular News Paper (Andhra Prabha) and National Newspaper (Business Standard).

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.

8. AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

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SHAREHOLDERS' INFORMATION

A	Registered Office	Plot No. 68 , 69, & 70, Anrich Industrial Area, IDA Bollaram, Medak District. A.P.
B	Annual General Meeting	
	Date & Time	31st December 2014 at 11.00 AM
	Venue	Plot No. 68 , 69, & 70, Anrich Industrial Area, IDA Bollaram, Medak District. A.P.
C	Financial Calendar	
	Financial Reporting for	
	Quarter ending June, 30 2013	Third week of August 2013
	Quarter ending September, 30 2013	Third week of November 2013
	Quarter ending December, 31 2013	Third week of February 2013
	Quarter ending March 31, 2014	Fifth week of May 2014
	Annual General meeting for FY ended 31st March 2014	31st December 2014
D	Date of Book Closure	Monday the 29th September 2014 to Wednesday the 31st December, 2014
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. The 52 week high low has been Rs.7.40 and Rs.2.53 respectively.
I	Registrar and Share Transfer Agents	M/S Bigshare Services Pvt. Ltd. 306, 3rd Floor, Right Wing, Amrutha Ville, 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	Share Transfer Committee	The Share Transfer 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 2014

Share Holder or Debenture Holding of nominal Value of		Share Holder or Debenture Holding of nominal Value of		Share / Debenture Amount	
Rs. (1)	Rs.	Number (2)	% of Total (3)	Number (4)	% of Total (5)
Upto	- 5000	7444	62.68	13445840	1.78
5001	- 10000	1425	12.00	12448580	1.64
10001	- 20000	944	7.95	15287800	2.02
20001	- 30000	425	3.58	11207880	1.48
30001	- 40000	196	1.65	7198580	0.95
40001	- 50000	282	2.37	13558520	1.79
50001	- 100000	437	3.68	33272140	4.39
100001	and above	723	6.09	651280660	85.95
TOTAL		11876	100.00%	757700000	100.00%

N	Dematerialisation of shares and liquidity	As on 28th November 2014 out of the total shareholding of 7,57,70,000 equity shares 6,49,68,224 equity shares representing 85.74% of equity shares are in dematerialised form.
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AGM	Year	Venue	Date	Time
23rd	2013	Plot No. 68 , 69 , & 70, Anrich Industrial Area IDA Bollaram, Medak District. A.P.	26th September 2013	11.00 A.M.
22nd	2012	Plot No. 68 , 69 , & 70 Anrich Industrial Area IDA Bollaram, Medak District. A.P.	29th September 2012	11.00 A.M.
21st	2011	Plot No. 68 , 69 , & 70 Anrich Industrial Area IDA Bollaram, Medak District. A.P.	30th September 2011	11.00 A.M.

P	Nomination Facility	<p>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.</p> <p>*****</p>
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MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements are in full conformity with the requirements of the Companies Act, 1956 and the Accounting Standards issued by the Central Government. The Management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as, for estimates and judgments relating to matters not concluded by the year-end. The management believes that the financial statements reflect fairly the form and substance of transactions and reasonably presents the company's financial condition, and results of operations. To ensure this, the Company has installed a system of internal controls, which is reviewed, evaluated and updated on an ongoing basis. Our auditors have conducted audits to provide reasonable assurance that the company's established policy and procedures have been followed. 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 .Sarath & Associates, Chartered Accountants, Hyderabad, the Statutory Auditors of the Company.

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

Sd/-

Dr. K. KOTESWARA RAO
CHAIRMAN & MANAGING DIRECTOR

PLACE: HYDERABAD
DATE: 06.12.2014

CODE OF CONDUCT DECLARATION

Pursuant to clause 49I(D) of the listing agreement 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, 2014.

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

Sd/-

Dr. K. KOTESWARA RAO
CHAIRMAN & MANAGING DIRECTOR

PLACE: HYDERABAD
DATE: 06.12.2014



SARATH & ASSOCIATES
CHARTERED ACCOUNTANTS

To
The Board of Directors of
TRANSGENE BIOTEK LIMITED

We have examined the compliance conditions of Corporate Governance by M/s TRANSGENE BIOTEK LIMITED (the 'Company') for the year ended on 31st March, 2014 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of the conditional of the corporate governance is the responsibility of the management. Our examination conducted in the manner described in the guidance note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statement of the company for the year under review.

In our opinion and to the best of our information and explanations given to us, the company has broadly complied, during the year under review, with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement, except for the fact that the SEBI had passed an order against the Company as well as promoters/directors wherein it has alleged that there is a prima facie case of acts, omissions and concealment by the Company and its promoters/Directors which amount to 'Fraud' within the meaning of regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003. SEBI further stated that the Company and the promoters/directors have violated the provisions of Regulations 3(a), (c) and (d), read with regulation 4(1) and 4 (2)(f) of the above regulations as well as Section 12A(b) and (c) of SEBI Act, 1992, which point out to Corporate Governance lapses.

We state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Sarath & Associates**
Chartered Accountants
Firm Regd. No. 005120S

Sd/-

P. Sarath Kumar
Partner (M. No. 021755)

PLACE: HYDERABAD
DATE: 06.12.2014

AUDITORS' REPORT

To
The Members of
M/s TRANSGENE BIOTEK LIMITED
Hyderabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S. TRANSGENE BIOTEK LIMITED** ("the Company") which comprises the Balance sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended on that date and the Cash fFlow Statement for the year and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the position, financial performance and cash flows of the company in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, subject to our comments under the heading "Emphasis of Matter" and in para (a) and para (b) (4) of 'Report on other Legal and Regulatory requirements' mentioned hereunder:

- a) In the case of Balance sheet, of the State of affairs of the Company as at 31st March 2014;
- b) In the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of Cash flow statement of the cash flows for the year ended on that date.



Emphasis of Matter

1. Attention is bought to Note No.10 to the Notes on Accounts under the heading "Non-Current Investments" amounting to Rs.9220.10 Lakhs made in the wholly owned subsidiary company (1,69,52,001 shares of US \$ 1 each). Keeping in view the comments of the Auditor of the Subsidiary Company, in the Independent Auditor's Report wherein they commented that they are unable to express an opinion on the financial statements of the said Subsidiary Company and also 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 or not. Management, as a prudent measure, made full provision in the books of accounts considering the above development.
2. Attention is also bought to the fact that the regulator, Securities and Exchange Board of India had conducted Preliminary Inquiry on receiving certain complaints on the matter of GDR's issued by the Company in the past and its utilization thereof, basically on the angle of protection of Investors' interest, . and SEBI prima facie concluded 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, after the end of the financial year but before this reporting date, inter alia, refraining the Company from issuing any securities. Management has informed us that the Company is in the process of conducting its own inquiry into the matters mentioned in the Order and taking steps for protection of amounts raised in the GDR. We are unable to quantify, at the moment, the financial

impact of this Order on the Company, as the Company is yet to quantify and make any provision towards this purported loss. We are also unable to comment, at this stage, on the impact this Order will have on the Company as a going concern.

3. The findings of the SEBI as per their Order on the utilization/transfer of GDR proceeds for undisclosed purposes point out towards violations as per the provisions of the Foreign Exchange Management Act as well as GDR approval conditions, the impact of which we are unable to quantify at the moment.
4. Attention is bought to the fact that there is an outstanding balance of Rs.2684.08 Lakhs which pertains to advance given out of the proceeds of GDR. Consequent to the order of the SEBI as aforesaid and of the counter contention of the CMD as to transfer of payments were made unauthorizedly without his knowledge and also considering the fact that confirmation from the party could not be obtained, we are unable to opine whether this amount is recoverable or not. However, the Management as a prudent measure, made full provision in the books of accounts considering the above development.

Report on Other Legal and Regulatory Requirements

- a. As required by the Companies' (Auditor's Report) Order, 2003, ("the Order") as amended issued by the Central Government of India in terms of Section 227 (4A) of 'The Companies' Act, 1956, (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- b. As required by the section 227(3) of the Act, we report that :

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1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit, except loan balance confirmations and others stated elsewhere in our report.
2. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
3. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
4. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956, except the compliance of Accounting Standard 15 & 22, the effect of which we are unable to determine.
5. On the basis of written representations received from the Directors as on March 31st 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on March 31st 2014 from being appointed as Director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
6. The Company had neither provided nor paid for cess payable u/s 441A of the Companies Act, 1956 since the aforesaid section is not yet be made effective by the Central Government.

For **Sarath & Associates**
Chartered Accountants
Firm Regd. No. 005120S

Sd/-

P. Sarath Kumar
Partner (M. No. 021755)

PLACE: HYDERABAD
DATE: 06.12.2014

ANNEXURE REFERRED TO IN 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF AUDIT REPORT OF EVEN DATE ON THE ACCOUNTS OF TRANSGENE BIOTEK LIMITED ('THE COMPANY') FOR THE YEAR ENDED 31ST MARCH 2014

1. (a) As per the information and explanations given to us, the Company is in the process of updating its records showing full particulars including quantitative details and situation of Fixed Assets.

(b) As per the information and explanations given to us, the fixed assets have been physically verified by the management during the year. 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.

the Company had carried out the physical verification of the Fixed Assets during the year under review and we have been informed that such verification did not reveal any material discrepancies.

(c) As per the information & explanations given to us, the Company has not disposed off any fixed assets during the year, which will affect the going concern status of the company.

- 2 (a) As per the information & explanations given to us, the inventory has been physically verified during the year by the management at periodical intervals. In our opinion the frequency of verification appears to be reasonable.



- (b) Based on the information & explanations to 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 present business.
- (c) As per the information & explanations given to us, the Company is maintaining records of inventory and no material discrepancies have been noticed by the management on the physical verification done by them.
3. (a) As per the information and explanations given to us, as the company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 301 of the Act, and accordingly, the provisions of Clause 4(iii) (a) to 4 (iii) (d) are not applicable to the Company for the current year.
- (b) According to the information and explanations given to us, the Company had taken interest free unsecured loan from three parties listed in the register maintained under Section 301 of the Act. The amount involved is Rs. 306.28 1249.52 Lakhs and the maximum outstanding balance during the year was Rs. 1259.59 Lakhs.
- (c) In our opinion, terms and conditions of unsecured loan taken from the parties listed in the register maintained under Section 301 of the Act, being interest free, are not prima facie prejudicial to the interest of the Company.
- (d) According to the information and explanations given to us, no specific terms have been stipulated for payment of the principal amount and interest thereon. Hence we are not in a position to make any specific comment as to whether the company is regular in payment of the principal amount and interest thereon.
4. Based on the information & explanations given to us, we are of the opinion that the matters as to adequacy of the internal control procedures regarding purchase of inventory and fixed assets and sale of goods and services as compared to the size of the Company and nature of its business needs to be strengthened. However, we have not come across instances of continuing major weaknesses, apart from strengthening the existing internal controls during the year under review.
5. According to the information and explanation given to us and as confirmed by the Management, there are no transactions with the parties which need to be entered into the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4 (v) (a) & (b) are not applicable for the year under review.
6. As the Company has not accepted any deposits from public covered by the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AAA or any other relevant provisions of the Act, the provisions of clause 4(vi) of the Order are not applicable to the Company for the current year.
7. As per information and explanation given to us, the Company does not have Internal Audit system commensurate with the size and nature of the business.
8. According to information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, for any of the activities of the company, and accordingly

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the provisions of clause 4(viii) of the order is not applicable to the Company for the current year.

deducted at source Rs.24.16 Lakhs, Service Tax Rs.8.37 Lakhs.

9. (a) According to the information and explanations given to us, the Company is not regular in depositing undisputed statutory dues of Income Tax, Service Tax and other statutory dues. The amount of arrears of outstanding dues as on 31st March 2014, outstanding for a period of more than six months from the date they became payable are Income Tax Rs. 554.11 Lakhs, Fringe Benefit Tax Rs.0.58 Lakhs, Income tax in the nature of Tax

- (b) As per the records and according to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Excise duty and Cess which have not been deposited on account of any dispute as on 31.03.2014, except a disputed claim of Customs Duty net of amount paid under protest, as per the details given below :-

Nature of Dues	Amount (Rs)	Period	Forum where Dispute is pending
Customs Duty demand raised for Non-fulfilment of Export obligation	59.37 Lakhs	2002	CESTAT, Chennai

10. According to the information and explanation given to us and overall examination of the financial statements of the Company, we report that the Company does not have any accumulated losses at the end of the current financial year. The Company had incurred cash losses during the year as well as in the immediately preceding financial year.

not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, the provisions of clause 4 (xii) of the Order are not applicable to the Company for the current year.

11. The Company is not regular in repayment of Term loans within due date and the account is classified as Non Performing Asset by the bank during the year under review. Due to non- repayment as per payment schedule of Term loan and non-application of interest on the loan account after the account becoming NPA, and In the absence of confirmation of the loan balance, we are not in a position to quantify the exact arrears at the end of the year.

13. In our opinion, The Company is not a Chit Fund/Nidhi/Mutual Benefit Fund/Society. Therefore the provisions of clause 4(xiii) of the Order are not applicable to the Company for the current year.

14. In our opinion, as the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

12. According to the information and explanation given to us, the Company has

15. According to information and explanations given to us the Company has not given any Guarantee to any banks / financial institutions during the year under review for the loan taken by any third party, the



provisions of Clause 4 (xv) of the Order are not applicable to the Company

16. As per information and explanations given to us, no fresh term loans have been raised by the Company and the as per the past records of the Company, the earlier term loans have been applied for the purpose for which they were raised.
17. According to the Information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment purposes.
18. According to the Information and explanations given to us, the Company had made preferential allotment of shares to one party covered under the register maintained under Section 301 of the Act during the year under review, which has been made at price which is not prejudicial to the interest of the Company.
19. As the Company has not issued any debentures during the year, which requires creation of security or charge, the provisions of clause 4 (xix) of the Order, are not applicable to the Company for the current year.
20. According to the Information and explanations given to us and on overall examination of the books of accounts of the company, the Company has not raised any money by public issue during the year under review. However, the Company had, in the preceding year(s), have issued Global Depository Receipts outside India and the majority proceeds of GDRs have been utilized through wholly owned subsidiary abroad, which is not audited by us and accordingly, we are unable to express any opinion on the end use of moneys raised through GDRs. Further, during the current year, the auditor who

conducted the audit in respect of overseas subsidiary also could not express his opinion regarding the existence, valuation of the deposits and prepayments/advances and technical know how, as stated in his audit report.

21. During the course of examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as per the representation given by the Company and relied on by us, we have neither come across any instance material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management. Attention is bought to the fact that after the end of the financial year and before the issue of our Audit Report, SEBI had passed an order against the Company as well as promoters/directors wherein it has alleged that there is a prima facie case of acts, omissions and concealment by the Company and its promoters/Directors which amount to 'Fraud' within the meaning of regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003. SEBI further stated that the Company and the promoters/directors have violated the provisions of Regulations 3(a), (c) and (d), read with regulation 4(1) and 4 (2)(f) of the above regulations as well as Section 12A(b) and (c) of SEBI Act, 1992. Accordingly, we are unable to quantify the impact of the above Order in financial terms and further unable to state whether this affects the going concern of the Company.

For Sarath & Associates
Chartered Accountants
Firm Regd. No. 005120S

Sd/-

P. Sarath Kumar
Partner (M. No. 021755)

PLACE: HYDERABAD
DATE: 06.12.2014

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Standalone Balance Sheet

Particulars	Note	As at 31st March 2014	As at 31st March 2013
		₹	₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	757,700,000	657,700,000
Reserves and Surplus	3	1,214,145,497	2,562,730,669
Non-Current Liabilities			
Long-term borrowings	4	59,320,739	59,320,739
Long term provisions	5	1,208,786,442	56,937,673
Current Liabilities			
Short-term borrowings	6	71,262,190	165,287,150
Trade payables	7	170,837,089	170,854,498
Other current liabilities	8	12,486,257	13,580,480
Total Equity and Liabilities		3,494,538,214	3,686,411,208
ASSETS			
Non-current assets			
Fixed assets	9		
(i) Tangible assets		57,789,158	64,515,118
(ii) Intangible assets		1,748,057,133	1,913,486,515
Capital work-in-progress		2,890,306	2,890,306
Non-current investments	10	922,009,728	922,009,728
Long term loans and advances	11	241,747,253	256,294,853
Other non-current assets	12	319,885,402	319,885,401
Current assets			
Inventories	13	722,373	2,476,596
Trade receivables	14	182,506,106	184,334,219
Cash and cash equivalents	15	517,128	1,054,156
Short-term loans and advances	16	18,413,627	19,464,315
Total Assets		3,494,538,214	3,686,411,208

Note: The notes referred to above are an integral part of the Balance Sheet.

As per our report attached
For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

Sd/-

P Sarath Kumar
Partner
Membership No. 021755

For and on behalf of the board of Directors
Transgene Biotek limited

Sd/-

Dr. K. Koteswara Rao
Managing Director

Sd/-

S.S. Marthi
Director

Place : Hyderabad
Date : 06.12.2014

**TRANSGENE BIOTEK LIMITED****Standalone Statement of Profit and Loss :**

Particulars	Note	As at 31st March 2014	As at 31st March 2013
		₹	₹
INCOME			
Revenue from operations	17	9,811,393	150,304,943
Other Income	18	8,000,000	595,200
Total Income		17,811,393	150,900,143
EXPENSES			
Cost of materials consumed	19	927,625	1,114,256
Purchase of Traded goods	20	-	136,642,400
(Increase)/decrease in finished stock	21	1,475,381	4,703,429
Employee benefit expense	22	10,242,533	5,424,519
Financial costs	23	4,860	1,978,313
Depreciation and amortization expenses	24	172,155,341	10,150,765
Other expenses	25	15,351,456	10,178,111
Total Expenses		200,157,195	170,191,792
Profit before exceptional and extraordinary items and tax		(182,345,802)	(19,291,649)
Exceptional and extraordinary items		-	-
Profit before extraordinary items and tax		(182,345,802)	(19,291,649)
Extraordinary items		1,152,213,978	-
Prior Period Expenditure/(Income)		(519,895)	600,000
Profit before tax		(1,334,039,885)	(19,891,649)
Tax expense:			
Current tax expenses		-	-
Deferred tax charge / (credit)		-	-
Profit for the period		(1,334,039,885)	(19,891,649)
Earnings per Equity Share			
(Equity shares of par value Rs. 10 each)			
Basic		(17.61)	(0.30)
Diluted		(18.98)	(0.30)
Number of shares used in computing earnings per share			
Basic		75,770,000	65,770,000
Diluted		70,290,548	65,770,000

Note: The notes referred to above are an integral part of the Balance Sheet.

As per our report attached For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

For and on behalf of the board of Directors
Transgene Biotech limited

Sd/-
P Sarath Kumar
Partner
Membership No. 021755

Sd/-
Dr. K. Koteswara Rao
Managing Director

Sd/-
S.S. Marthi
Director

Place : Hyderabad
Date : 06.12.2014

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Cash Flow Statement (Standalone)

Particulars	As at 31st March 2014	As at 31st March 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,334,039,885)	(19,891,649)
Adjustments for :		
Depreciation	172,155,341	10,150,766
Interest and Finance charges	4,860	1,978,313
Exchange rate difference from Invst abraod	(14,545,287)	130,833,524
Interest received	- 157,614,914	142,962,602
Operating Profit before working Capital changes	(1,176,424,972)	123,070,953
Adjustments for :		
Decrease / (Increase) in Receivables	1,828,113	99,416,161
Decrease / (Increase) in Inventories	1,754,223	5,761,146
Decrease / (Increase) in other current assets	1,050,691	866,770,725
Increase / (Decrease) in payables	(17,409)	(109,393,042)
Increase / (Decrease) in Provisions and Other liabilities	1,150,754,546	10,551,105
Subtract Increase in Prepaid Expenses		-
Other	1,155,370,165	- 873,106,095
Cash generated from operations	(21,054,807)	996,177,048
Less : Direct Taxes paid	-	-
Net Cash from Operating Activities	(21,054,807)	996,177,048
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(930,704,428)
Product development expenditure	-	(12,009,228)
Capital advances and Investments	14,547,600	(67,919,912)
Interest received	-	-
Net Cash from Investing Activities	14,547,600	(1,010,633,568)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of GDRs / Equity Shares	100,000,000	-
Repayment of Working Capital Term Loan	(94,024,960)	21,581,176
Proceeds / (repayment) Long term borrowings	-	(4,576,565)
Interest Paid	(4,860)	(1,978,313)
Net Cash from Financing Activities	5,970,180	15,026,298
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(537,027)	569,778
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,054,155	484,377
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	517,128	1,054,155

NOTE :

- 1) Figures in brackets indicate cash outgo
- 2) The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 notified under the Companies Act, 1956.
- 3) Significant Accounting Policies and other Notes to Accounts form an integral part of the Cash Flow Statement.
- 4) Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year classification vide our report of even date.

For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

Sd/-
P Sarath Kumar
Partner
Membership No. 021755

For and on behalf of the board of Directors
Transgene Biotek limited

Sd/-
Dr. K. Koteswara Rao
Managing Director

Sd/-
S.S. Marthi
Director

Place : Hyderabad
Date : 06.12.2014



TRANSGENE BIOTEK LIMITED

Notes to financial statements for the Year ended 31st March 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

2. SHARE CAPITAL

PARTICULARS	As at 31st March 2014		As at 31st March 2013	
		₹		₹
Authorised :				
Equity Shares (7,50,00,000 Shares of Rs.10 each)		760,000,000		750,000,000
(Previous year 7,50,00,000 equity shares)		760,000,000		750,000,000
Issued, subscribed and paid-up :				
Equity Share				
(7,57,70,000 shares of Rs.10 each fully paid up)		757,700,000		657,700,000
(Previous year 6,57,70,000 equity shares)				
Share Application Money		-		-
		757,700,000		657,700,000

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

The reconciliation of the number of equity shares outstanding is set out below :

PARTICULARS	As at 31st March 2014		As at 31st March 2013	
	Number of shares	Amount	Number of shares	Amount
	₹	₹	₹	₹
Shares outstanding at the beginning of year	65,770,000	657,700,000	657,700,000	6,577,000,000
Shares Issued during the year	10,000,000	100,000,000	-	-
Shares outstanding at the end of the year	75,770,000	757,700,000	657,700,000	6,577,000,000

The details of shareholder holding more than 5% equity shares is set below :

PARTICULARS	As at 31st March 2014		As at 31st March 2013	
	Number of shares	% of Shareholding	Number of shares	% of Shareholding
	₹	₹	₹	₹
Dr. K. Koteswara Rao	15,211,902	20.08%	5,211,902	7.92%
Polavarapu Vikram	8,732,171	11.52%	-	0.00%
The Bank of New york Mellon, DR	7,970,000	10.52%	7,970,000	12.12%

As per records of the Company, including its register of shareholders/ members and other delcarations received from shareholders regarding beneficial interest, the abobe shareholding represents both legal and beneficial ownership of shares

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Notes to financial statements for the Year ended 31st March 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

3. RESERVES AND SURPLUS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Security Premium account :		
Balance brought forward	1,388,092,501	1,388,092,501
Additions during the year	-	-
	<u>1,388,092,501</u>	<u>1,388,092,501</u>
Less: Expenses incurred for issue of securities	-	-
Closing balance at the end of the year	1,388,092,501	1,388,092,501
Capital Reserve		
Balance Brought forward	891,265,401	891,265,401
Additions during the year	-	-
Closing balance at the end of the year	891,265,401	891,265,401
Warrants Forfeiture reserves		
Balance brought forward	12,250,000	12,250,000
Additions during the year	-	-
Closing balance at the end of the year	12,250,000	12,250,000
Exchange Translation Reserve	116,288,237	130,833,524
Profit & Loss account		
Balance brought forward	140,289,243	160,180,892
Add : Profit during the year	(1,334,039,885)	(19,891,649)
Closing balance in P & L Account	(1,193,750,642)	140,289,243
	<u>1,214,145,497</u>	<u>2,567,730,669</u>

4. LONG TERMS BORROWINGS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Term Loan from Dept. Bio technology, Ministry of Science and Technology, Govt. of India	40,900,000	40,900,000
Working Capital Term Loan from UBI	18,420,739	18,420,739
	<u>59,320,739</u>	<u>59,320,739</u>

* Term Loans are secured by first pari passu charge on all the present and future fixed assets both movable and immovable property of the Company

** Term loan from 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

**5. LONG TERM PROVISIONS**

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Provision for Employees Retirement Benefits	411,958	777,167
Provision for Fringe Benefit Tax	58,368	58,368
Income Tax provision earlier years	56,102,138	56,102,138
Provision for Investments	1,152,213,978	-
	1,208,786,442	56,937,673

6. SHORT TERM BORROWINGS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Loans repayable on demand from parties		
From related parties	30,627,848	124,952,808
From others	40,634,342	40,334,342
	71,262,190	165,287,150

7. TRADE PAYABLES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Dues of Micro and Small Enterprises	-	-
Dues other than Micro and Small Enterprises	170,837,089	170,854,498
	170,837,089	170,854,498

8. OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Other payables	9,103,340	10,241,946
Statutory Liabilities	3,382,917	3,338,534
	12,486,257	13,580,480

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9. FIXED ASSETS UP TO 31ST MARCH 2014

Sl. No.	Particulars	Deprn. Rate %	GROSS BLOCK		DEPRECIATION				NET BLOCK	
			As At 01.04.2013	Additions/ (Deletion) during the Year	As At 31.03.2014	Up to 01.04.2013	Depreciation on Deletions	For the Year	Up to 31.03.2014	As At 31.03.2014
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land	-	2,008,003	-	2,008,003	-	-	-	2,008,003	2,008,003
2	Buildings	3.34	36,335,703	-	36,335,703	17,647,191	1,213,612	18,860,803	17,474,900	18,688,512
3	Buildings- Temporary Erections	-	64,917	-	64,917	64,917	-	64,917	-	-
4	Plant & Machinery	4.75	92,885,199	(8,000,000)	84,885,199	62,442,001	4,359,472	58,801,473	26,083,726	30,443,198
5	Furniture & Fixtures	6.33	1,635,451	-	1,635,451	633,811	103,524	737,335	898,116	1,001,640
6	Air Conditioner - Factory	4.75	5,692,841	-	5,692,841	5,692,840	-	5,692,840	1	1
7	Electrical Installations - Factory	4.75	3,668,307	-	3,668,307	3,645,487	22,819	3,668,306	1	22,820
8	Lab Equipment	4.75	16,969,485	-	16,969,485	6,170,694	806,051	6,976,744	9,992,741	10,798,791
9	Office Equipment	4.75	2,105,841	-	2,105,841	1,014,604	100,027	1,114,631	991,210	1,091,237
10	Generator	4.75	1,177,812	-	1,177,812	875,527	55,946	931,473	246,339	302,285
11	Computers	16.21	1,726,618	-	1,726,618	1,700,210	5,674	1,705,883	20,735	26,408
12	Vehicles	9.50	619,304	-	619,304	487,063	58,834	545,917	73,387	132,221
	Total (A)		164,889,481	(8,000,000)	156,889,481	100,374,364	6,725,959	99,100,323	57,789,158	64,515,118
	Intangible Assets									
	Intellectual Property Rights		996,700,000	-	996,700,000	-	99,670,000	-	897,030,000	996,700,000
	Technology*	7.07	930,118,554	-	930,118,554	13,332,039	65,759,382	79,091,421	851,027,133	916,786,515
	Total (B)		1,926,818,554	-	1,926,818,554	13,332,039	165,429,382	79,091,421	1,748,057,133	1,913,486,515
	Capital Work in Progress-Buildings(C)		2,890,306	-	2,890,306	-	-	-	2,890,306	2,890,306
	Total (A+B+C)		2,094,598,341	(8,000,000)	2,086,598,341	113,706,403	172,155,341	178,191,743	1,808,736,597	1,980,891,939

**15. CASH AND CASH EQVALENTS**

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Cash on Hand	36,413	103,479
Balance with Schedule Banks		
In current accounts	450,017	919,979
In deposit accounts	698	698
Balance with Non Schedule Bank	30,000	30,000
	517,128	1,054,156

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Balance with Banks in current accounts		
Karur vysya bank	25	25
Union Bank of India	208	208
Andhra Bank- Srinagar colony	5,107	5,107
Andhra Bank -S.R.Nagar	3,824	3,824
Axis Bank Ltd - 911020057235469	82,208	526,147
Axis Bank Ltd - 913020044397910	6,755	-
Bank of India -Ameerpet	2,544	2,544
Bank of India -Tanuku	-	61,562
Bank of India -nidadavolu	266,644	228,261
Bank of India -Tadepalligudem	50,881	60,980
ICICI Bank	1,225	1,225
Indus Ind Bank	10,500	10,000
Union Bank of India	7,636	7,636
Yes Bank	10,000	10,000
Indian Bank	2,460	2,460
	450,017	919,979
In deposit accounts		
Union Bank of India (SIBRI)	698	698
	698	698
Balance with Non Scheduled Banks		
HSBC	30,000	30,000
Investic Bank (USA)	-	-
	30,000	30,000
	480,715	950,677

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16. SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Unsecured, Considered good		
Capital Advance	6,677,303	6,677,303
Salary Advance	-	118,042
Rent Deposits	-	150,000
Advance to Suppliers	10,512,013	10,853,938
CENVAT Credit Recievable	147,246	614,660
Prepaid Expenditure	-	-
With Holding Tax Receivables	1,030,962	1,003,996
VAT Credit Recievable	46,102	46,376
	18,413,627	19,464,315

17. REVENUE FROM OPERATIONS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Diagnostic Services	4,841,758	5,616,908
Sales of Products (Net of Taxes and Duties)	2,243,200	144,688,035
Facility Rental Charges	2,726,435	-
	9,811,393	150,304,943

18. OTHER INCOME

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Miscellaneous Income	8,000,000	595,200
	8,000,000	595,200

19. COST OF MATERIAL CONSUMED

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Opening Stock	842,525	1,900,242
Add: Purchases	648,783	817,364
	1,491,308	2,717,606
Less: Closing Stock	563,683	842,525
	927,625	1,875,081
Less: Material Consumed for Product Development	-	760,825
	927,625	1,114,256

**20. PURCHASE OF TRADE GOODS**

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Opening Stock	-	-
Add: Purchases	-	136,642,400
Less: Closing Stock	-	-
	-	136,642,400

21. (INCREASE)/DECREASE IN FINISHED GOODS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Traded, Raw material and Finished Goods Inventories at the end of the year		
Finished Goods	158,690	1,634,071
Raw material and Consumables	-	-
	158,690	1,634,071
Inventories at the beginning of the year		
Raw material and Consumables	-	-
Finished Goods	1,634,071	6,337,500
	1,634,071	6,337,500
	1,475,381	4,703,429

22. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Salaries, wages and bonus	9,300,862	4,649,828
Contribution to provident fund and other funds	305,460	576,970
Gratuity expenses	328,807	29,878
Leave Encashment expenses	83,151	-
Staff welfare expenses	224,253	167,843
	10,242,533	5,424,519

23. FINANCIAL COSTS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Interest to Banks and Financial institutions	-	1,924,596
Bank charges	4,860	53,717
	4,860	1,978,313

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24. DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Depreciation as per IX note	172,155,341	20,301,531
Depreciation transferred to Product Development exp.	-	(10,150,766)
	172,155,341	10,150,765

25. OTHER EXPENSES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Conversion Charges	197,000	42,000
Power and Fuel	2,046,192	1,554,279
Rates, Taxes and Fees	411,126	775,991
Printing and Stationery	122,551	218,924
Postage and Telephone	230,044	268,238
Insurance	24,053	125,335
Legal and Professional charges	1,767,319	1,142,333
Remuneration to Auditors	168,540	168,540
Rebate and Discounts	124,982	166,414
Travelling, Transport and Conveyance	801,424	369,999
Vehicle maintenance and hire charges	206,350	251,874
Referral expenses	608,317	1,331,995
Advertisement	202,620	37,113
Listing Fee	213,443	-
R & D Expenses	3,203,102	-
Repairs & Maintenance	825,589	787,326
Lab Maintenance	813,982	605,980
Office Maintenance	165,497	276,890
Security Charges	205,467	256,141
Administration expenses	977,565	555,360
Business promotion expenses-HO	327,384	36,856
Business Promotion expenses-Lab Service Centres	1,496,582	1,048,719
Misc. Expenses	191,535	157,463
Interest on Statutory payments	20,793	341
	15,351,456	10,178,111

As per our report attached
For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

Sd/-

P Sarath Kumar

Partner

Membership No. 021755

Place : Hyderabad

Date : 06.12.2014

For and on behalf of the board of Directors

Transgene Biotek limited

Sd/-

Dr. K. Koteswara Rao

Managing Director

Sd/-

S.S. Marthi

Director



1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of financial statements:

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied and management evaluates all recently issued or revised accounting standards on an ongoing basis.

1. Fixed Assets and Depreciation :

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and, any attributable cost of bringing the asset to the condition of its intended use.

Depreciation is provided under the straight-line method based on useful life of assets as estimated by the Management. Depreciation is charged on a monthly pro-rata basis for assets purchased / sold during the year. Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition. The Management's estimate of useful life for various fixed assets is as under :

Asset	Useful life of Asset in years
Buildings	30
Lab Equipment	15
Mis.Fixed Assets	20
Air Conditioners	15
Office Equipment	15
Electrical Instillation	15
Generator	15
Furniture and Fixtures	15
Plant and Machinery	20
Vehicles	10
Technology	14

2. REVENUE RECOGNITION

Revenue for the company is from sales of products and medical diagnostic services. Revenue from sales and services are recognized on formal acceptance by the customer/patient.

3. INVENTORIES

Raw Materials/Inventory - At the cost or the net realizable value whichever is less is considered. Cost is determined on a First in First out basis.

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Finished Goods - At the cost or the net realizable value whichever is less is considered.

4. Expenditure on the ongoing product development for "Meningitis Vaccine, Erythropoietin, Tacrolimus, Statins (Orlistat, Lovastatin Pravastatin), Cancer products and Oral Insulin will be capitalized and written off over a period of the expected useful life of the respective products after obtaining commercial license/commencement of commercial production of the same.

(Amount in Rupees)

Opening Balance	Additions *	Closing Balance
31,98,85,402	Nil	31,98,85,402

* Total amount incurred on development of products during 2013-14

The management is of the opinion that the product development expenditure incurred on the products is technically feasible to generate future economic benefits and the company has sufficient technical resources to complete it.

5. RETIREMENT BENEFITS

- A) The Company is contributing to the Employees Provident fund maintained under the Employees Provident Fund Scheme by the Central Government.
- B) Leave encashment provided as per valuation certificate.
- C) The Company is contributing to the Employees Gratuity fund maintained under the GGCA Fund Scheme by the LIC of India.

6. INTERNALLY GENERATED INTANGIBLE ASSETS

Direct and indirect costs incurred during planning stage, and on operational activities charged to revenue in the year in which it has incurred.

Direct cost incurred on application & infrastructure development, design and content development stages are capitalized if and only if (i) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and (ii) the cost of the asset can be measured reliably. Indirect cost incurred during application, infrastructure, development stage are charged to revenue.

7. EARNINGS PER SHARE

In determining earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding at the during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares outstanding during the year.



8. 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 regular revenue generating, investing and financing activities of the company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates exchange prevailing at the dates of the transactions.

9. INCOME-TAX

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

As there is no virtual certainty in utilizing the deferred tax asset, hence, the deferred tax asset has not been recognized in the books of accounts.

NOTES FORMING PART OF THE ACCOUNTS

1. Previous year figures have been regrouped and reclassified according to the groupings and Classifications made for the current financial year.
2. Contingent Liabilities are not provided for in respect of

(Rs. In Lacs)

	2013 - 14	2012-13
(i) Customs Duty Demands disputed by the Company	64.42	64.42
(ii) Claims lodged against the Company	40.00	40.00
3. Contracts remaining to be executed on Capital Account are Rs. 8705.73 Lakhs (Previous year Rs.8705.73 Lakhs).		
4. The Department of Biotechnology has sanctioned a loan amount of Rs.4.09 crores under Small Business Innovative Research Initiative (SBIRI) scheme for the novel technology up gradation of orlistat research, for which a charge against movable and Immovable assets acquired from utilization of the said loan amount has been created.		
5. During the year the company has made 100% provision for the investment made in the Transgene Biotek HK Limited (Subsidiary) for Rs. 92,20,09,728/- in the wake of the Auditors report of the Wholly Owned Subsidiary. Further, 100% provision is made against to M/s. Symetric Sciences Inc utilized out of GDR proceeds. The corresponding Forex Reserve created against this advance as per AS 11 was also suitably adjusted.		
6. The following are the Related Party Disclosures as per the AS-18 as notified under the Companies Act 1956.		

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A) KEY MANAGEMENT PERSONNEL :

Dr. K. Koteswara Rao : Managing Director

Transgene Biotek HK Limited : Wholly owned subsidiary

B) The following are the transactions made with related parties:

Name of the Party	Nature of Transaction	2013-14		2012-13	
		Amount Rs. in Lakhs	Balance Outstanding as on 31.3.2014 Rs. in Lakhs	Amount Rs. in Lakhs	Balance Outstanding as on 31.3.2013 Rs. in Lakhs
Dr. K. Koteswara Rao	Remuneration Paid	15.00		12.86	
	Loan Received	0.00		142.44	
	Repayment of Loan	969.44	181.39		1150.83

7. In the opinion of the Board, current assets, loans and advances are realizable at a value, which is at least equal to the amount, at which these are stated, in the ordinary course of business. Balances of sundry debtors, sundry creditors, loans and advances, and other parties are subject to independent confirmation from the respective parties.
8. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 to the extent relevant.

Particulars of Capacities and Production

	Unit licensed	Installed	2013-14		2012-13	
			Production / Purchases	Sales	Production	Sales
Bio Chemistry	Tests	129 Lacs	NA	NIL	NIL	NIL
Immunology	Tests	166 Lacs	NA	NIL	NIL	NIL
Elisa	Tests	293 Lacs	NA	NIL	NIL	NIL
Traded Goods	NA	NA	NIL	NIL	1366.42 Lacs	1446.88 Lacs



9. The Company is engaged in Diagnostic Services and trading of Bulk Drugs which as per accounting standard (AS) 17 is considered the business segments.

Rs. In Lakhs

	Diagnostic Services		CRO Services		API-DHA		Trading in Drugs		Total	
	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
	Amt	Amt	Amt	Amt	Amt	Amt	Amt	Amt	Amt	Amt
Revenue	48.42	56.20	27.26	-	22.43	85.63	-	1361.22	98.11	1503.05
Identifiable operating expenses	44.02	49.02	13.80	-	1943.74	237.40	-	1366.93	2001.56	1653.35
Segment operating income	4.40	7.18	13.46	-	-1921.31	-151.77	-	-5.17	-1903.45	-159.76
Other Income									80.00	5.95
Total									-1823.45	1509.00
Unallocable expenses									11516.94	1707.92
Net profit before tax									-13340.39	-198.92

10. AUDITORS REMUNERATION

	2013-14	2012-13
	(Amount Rs.)	(Amount Rs.)
As Auditors	1,00,000	1,00,000
For Tax Audit	50,000	50,000
Service Tax	18,540	18,540
TOTAL	1,68,450	1,68,540

11. EARNINGS PER SHARE

	2013-14(Rs)	2012-13 (Rs)
a) Profit attributable to the Equity Share Holders	(13,34,039,885)	(19,891,649)
b) Weighted Average Number of equity shares at the end of the year		
- Basic	75,770,000	65,770,000
- Diluted	70,290,548	65,770,000
c) Earning per Equity Share of Rs.10/- each		
Basic	(17.61)	(0.30)
Diluted	(18.98)	(0.30)

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12. Remuneration to directors for the year ended 31.3.2014 :

Particulars	March 31st,2014	March 31st,2013
Salaries and other allowances	15.00	12.86
Contribution to provident fund	-	-
	15.00	12.86

13. EXPENDITURE IN FOREIGN CURRENCY :

	2013-14 (Amount Rs.)	2012-13 (Amount Rs.)
A) Fee For Technical Services	NIL	NIL
B) Lead Manager fee for GDR Issue	NIL	NIL
14. Particulars In Earnings in Foreign Currency :	NIL	NIL
15. CIF Value of Imports	NIL	NIL

16. Product Development Expenses comprise :

Personnel costs:	2013-14	2012-13
Salaries		
a) Bio- Therapeutics	-	1,162,457
b) NDDS	-	232,491
c) Immunosuppressants	-	464,983
d) Vaccines	-	-
e) Statins	-	464,983
Total	-	2,324,914
Stores & Spare and Consumables		
a) Bio- Therapeutics	-	380,413
b) NDDS	-	76,083
c) Immunosuppressants	-	152,165
d) Statins	-	152,165
Total	-	760,826



Depreciation & Repairs		
a) Bio- Therapeutics	-	5,075,383
b) Immunosuppressants	-	2,537,692
c) Vaccines	-	-
d) Statins	-	2,537,692
Total	-	10,150,767
Clinical Research Expenses		
a) M.M.Vaccine	-	-
b) Cancer Drugs	-	-
c) Immunosuppressants	-	-
d) Statins	-	-
Total	-	1,628,654
Traveling, Conveyance & Vehicle expenses		
a) M.M.Vaccine		-
b) Bio-therapeutics		-
c) Vaccines		-
d) Statins and Immunosuppressants		-
	-	-
Patents related Expenses		
Payments to Attorneys		-
Other overheads		

17. Details of opening stock, closing stock, purchase and sales for the year ended March 31:

Particulars	UOM	Quantity		Value	
		2014	2013	2014	2013
				Rs.	Rs.
Inventory:					
Opening Stock	Kgs			Nil	Nil
Purchases	Kgs			6,48,783	137,459,764
Sales	Kgs			98,11,393	150,304,943
Closing Stock	Kgs		Nil	7,22,373	24,76,596

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18. Periodically the Company evaluates all customers due to the company for collectables. The need for provisions is assessed based on the various factors including collectables of specific dues, risk perceptions of the industry in which the customers operate, and general economic factors, which could affect the customer's ability to settle.
 19. Notes 2 to 25 form integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated.
-

Vide our report of even date
For Sarath & Associates
Firm Registration No.005120S
Chartered Accountants

For and on behalf of the board of Directors
Transgene Biotek limited

Sd/-
P Sarath Kumar
Partner
Membership No. 021755

Sd/-
Dr. K. Koteswara Rao
Managing Director

Sd/-
S.S. Marthi
Director

Place : Hyderabad
Date : 06.12.2014



Independent Auditors' Report to the Board of Directors of M/s Transgene Biotech Limited on the Consolidated Financial Statements of M/s Transgene Biotech Limited and its Subsidiary

Report on the Financial Statements

We have audited the attached Consolidated Balance Sheet of M/s TRANSGENE BIOTEK LIMITED ('the Company') and its subsidiary, which comprise the Consolidated Balance Sheet as at March 31, 2014, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date and a summary of Significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the position, financial performance and cash flows of the company in accordance with the accounting standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

We did not audit the financial statements of a subsidiary, whose financial statements reflect their share of total assets of Rs.10,120.76 Lakhs as on 31st March, 2014, their total share of LOSS before tax of Rs.0.85 Lakhs and their net cash inflows amounting to Rs.(-) 0.85 Lakhs for the year ended on that date as considered in the consolidated financial statements. Further, an amount of Rs.10108.26 Lakhs was given as Advances for development of technology by the Overseas Subsidiary Company out of GDR proceeds during the earlier yea(s), which was not covered by our audit. These financial statements and the other financial information of these subsidiaries have been audited by other Auditors and in our opinion in so far as it relates to the amounts included in respect of these subsidiaries, are based solely on the reports of such other Auditors. During the year under review, the Overseas Auditor could not express his opinion whether these overseas financial statements (the quantum of which is shown above) give a true and fair view of the state of affairs of the Company and of its Loss as well as Cash Flows for this period. Consequently, we are unable to express an opinion whether the consolidated financial statements, to the extent mentioned above, show a true and fair view of the state of affairs, loss and cash flows respectively.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view, except the values stated above and also subject to our comments made in our Stand Alone Audit Report under the headings "Emphasis of Matter (point nos.1 to 4), paragraphs (b)(1) and (b)(4) of the Report on Other Legal and Regulatory Requirements and para nos.1(b), 4, 7, 9(a), 10, 11, 20 & 21 of the Annexure to the Report on Other Legal and Regulatory Requirements in conformity with the accounting principles generally accepted in India:

- i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014; and
- ii) In the case of the Consolidated Statement of Profit and Loss, of the consolidated LOSS for the year ended on that date;;
- iii) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For Sarath & Associates
Chartered Accountants
Firm Regd. No. 005120S

Sd/-

P. Sarath Kumar
Partner (M. No. 021755)

PLACE: HYDERABAD
DATE: 06.12.2014

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Consolidated Statement of Profit and Loss Account for the ended 31st March 2014

Particulars	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
		₹	₹
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2	757,700,000	657,700,000
Reserves and Surplus	3	1,302,003,219	2,561,659,537
Non-Current Liabilities			
Long-term borrowings	4	59,320,739	59,320,739
Long term provisions	5	1,208,786,442	56,937,673
Current Liabilities			
Short-term borrowings	6	71,262,190	165,287,150
Trade payables	7	170,837,089	170,854,498
Other current liabilities	8	13,522,372	14,448,152
Total Equity and Liabilities		3,583,432,052	3,686,207,748
ASSETS			
Non-current assets			
Fixed assets	9		
(i) Tangible assets		57,789,158	64,515,118
(ii) Intangible assets		1,748,057,133	1,913,486,515
Capital work-in-progress		2,890,306	2,890,306
Long term loans and advances	10	1,252,573,099	1,178,030,320
Other non-current assets	11	319,885,402	319,885,401
Current assets			
Inventories	12	722,373	2,476,596
Trade receivables	13	182,506,106	184,334,219
Cash and cash equivalents	14	517,128	1,054,109
Short-term loans and advances	15	18,491,346	19,535,164
Total Assets		3,583,432,051	3,686,207,748

Note: The notes referred to above are an integral part of the Balance Sheet.

As per our report attached
For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

Sd/-
P Sarath Kumar
Partner
Membership No. 021755

Place : Hyderabad
Date : 06.12.2014

For and on behalf of the board of Directors
Transgene Biotek limited

Sd/-
Dr. K. Koteswara Rao
Managing Director

Sd/-
S.S. Marthi
Director



TRANSGENE BIOTEK LIMITED

Consolidated Statement of Profit and Loss Account for the ended 31st March 2014

Particulars	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
		₹	₹
INCOME			
Revenue from operations	16	9,811,393	150,304,943
Other Income	17	8,000,000	595,200
Total Income		17,811,393	150,900,143
EXPENSES			
Cost of materials consumed	18	927,625	1,114,256
Purchase of Traded goods	19	-	136,642,400
(Increase)/decrease in finished stock	20	1,475,381	4,703,429
Employee benefit expense	21	10,242,533	5,424,519
Financial costs	22	4,860	1,997,893
Depreciation and amortization expenses	23	172,155,341	10,150,765
Other expenses	24	15,436,034	10,610,832
Total Expenses		200,241,774	170,644,093
Profit before exceptional and extraordinary items and tax		(182,430,381)	(19,743,950)
Exceptional and extraordinary items		-	-
Profit before extraordinary items and tax		(182,430,381)	(19,743,950)
Extraordinary items		1,152,213,978	-
Prior Period Expenditure/(Income)		(519,895)	600,000
Profit before tax		(1,334,124,464)	(20,343,950)
Tax expense :			
Current tax expenses		-	-
Deferred tax charge / (credit)		-	-
Profit for the period		(1,334,124,464)	(20,343,950)
Earnings per Equity Share (Equity shares of par value Rs. 10 each)			
Basic		(17.61)	(0.31)
Diluted		(18.98)	(0.31)
Number of shares used in computing earnings per share			
Basic		75,770,000	65,770,000
Diluted		70,290,548	65,770,000

Note: The notes referred to above are an integral part of the Balance Sheet.

As per our report attached For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

For and on behalf of the board of Directors
Transgene Biotech limited

Sd/-

P Sarath Kumar

Partner

Membership No. 021755

Place : Hyderabad

Date : 06.12.2014

Sd/-

Dr. K. Koteswara Rao

Managing Director

Sd/-

S.S. Marthi

Director

TWENTY FOURTH ANNUAL REPORT 2013-2014

Cash Flow Statement (Consolidated)

Particulars	As at 31st March 2014	As at 31st March 2013
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,334,124,464)	(20,343,950)
Adjustments for :		
Depreciation	172,155,341	10,150,766
Interest and Finance charges	4,860	1,997,893
Exchange rate difference from Invst abraod	74,468,146	130,794,566
Interest received	- 246,628,346	142,943,224
Operating Profit before working Capital changes	(1,087,496,117)	122,599,274
Adjustments for :		
Decrease / (Increase) in Receivables	1,828,113	99,416,161
Decrease / (Increase) in Inventories	1,754,223	5,761,147
Decrease / (Increase) in other current assets	1,043,821	558,717
Increase / (Decrease) in payables	(17,409)	(109,802,141)
Increase / (Decrease) in Provisions and Other liabilities	1,150,922,989	11,418,777
Subtract Increase in Prepaid Expenses		-
Other	1,155,531,737	- 7,352,661
Cash generated from operations	68,035,620	129,951,935
Less : Direct Taxes paid	-	-
Net Cash from Operating Activities	68,035,620	129,951,935
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(930,704,428)
Product development expenditure	-	(22,141,132)
Capital advances and Investments	(74,542,780)	799,303,509
Interest received	-	-
Net Cash from Investing Activities	(74,542,780)	(153,542,051)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of GDRs / Equity Shares	100,000,000	-
Repayment of Working Capital Term Loan	(94,024,960)	21,581,176
Proceeds / (repayment) Long term borrowings	-	4,576,565
Interest Paid	(4,860)	(1,997,893)
Net Cash from Financing Activities	5,970,180	24,159,848
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(536,981)	569,732
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,054,109	484,377
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	517,128	1,054,109

NOTE :

- 1) Figures in brackets indicate cash outgo
- 2) The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard-3 notified under the Companies Act, 1956.
- 3) Significant Accounting Policies and other Notes to Accounts form an integral part of the Cash Flow Statement.
- 4) Previous year figures have been regrouped/reclassified wherever necessary to confirm to current year classification vide our report of even date.

For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

Sd/-
P Sarath Kumar
Partner

Membership No. 021755
Place : Hyderabad
Date : 06.12.2014

For and on behalf of the board of Directors
Transgene Biotek limited

Sd/-
Dr. K. Koteswara Rao
Managing Director

Sd/-
S.S. Marthi
Director



TRANSGENE BIOTEK LIMITED

Notes to financial statements for the Year ended 31st March 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

2. SHARE CAPITAL

PARTICULARS	As at 31st March 2014		As at 31st March 2013	
		₹		₹
Authorised :				
Equity Shares (7,50,00,000 Shares of Rs.10 each)		760,000,000		750,000,000
(Previous year 7,50,00,000 equity shares)		760,000,000		750,000,000
Issued, subscribed and paid-up :				
Equity Share				
(7,57,70,000 shares of Rs.10 each fully paid up)		757,700,000		657,700,000
(Previous year 6,57,70,000 equity shares)				
Share Application Money		-		-
		757,700,000		657,700,000

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.

The reconciliation of the number of equity shares outstanding is set out below :

PARTICULARS	As at 31st March 2014		As at 31st March 2013	
	Number of shares	Amount	Number of shares	Amount
	₹	₹	₹	₹
Shares outstanding at the beginning of year	65,770,000	657,700,000	657,700,000	6,577,000,000
Shares Issued during the year	10,000,000	100,000,000	-	-
Shares outstanding at the end of the year	75,770,000	757,700,000	657,700,000	6,577,000,000

The details of shareholder holding more than 5% equity shares is set below :

PARTICULARS	As at 31st March 2014		As at 31st March 2013	
	Number of shares	% of Shareholding	Number of shares	% of Shareholding
	₹	₹	₹	₹
Dr. K. Koteswara Rao	15,211,902	20.08%	5,211,902	7.92%
Polavarapu Vikram	8,732,171	11.52%	-	0.00%
The Bank of New York Mellon, DR	6,270,000	8.28%	7,970,000	12.12%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares

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Notes to financial statements for the Year ended 31st March 2014

(All amounts in Indian rupees, except share data and where otherwise stated)

3. RESERVES AND SURPLUS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Security Premium account :		
Balance brought forward	1,388,092,501	1,388,092,501
Additions during the year	-	-
	<u>1,388,092,501</u>	<u>1,388,092,501</u>
Less: Expenses incurred for issue of securities	-	-
Closing balance at the end of the year	1,388,092,501	1,388,092,501
Capital Reserve		
Balance Brought forward	891,265,401	891,265,401
Additions during the year	-	-
Closing balance at the end of the year	891,265,401	891,265,401
Warrants Forfeiture reserves		
Balance brought forward	12,250,000	12,250,000
Additions during the year	-	-
Closing balance at the end of the year	12,250,000	12,250,000
Exchange Translation Reserve	205,262,712	130,794,566
Profit & Loss account		
Balance brought forward	139,257,069	160,180,892
Add : Profit during the year	(1,334,124,464)	(20,923,823)
Closing balance in P & L Account	(1,194,867,395)	139,257,069
	<u>1,302,003,219</u>	<u>2,561,659,537</u>

4. LONG TERMS BORROWINGS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Term Loan from Dept. Bio technology, Ministry of Science and Technology, Govt. of India	40,900,000	40,900,000
Working Capital Term Loan from UBI	18,420,739	18,420,739
	<u>59,320,739</u>	<u>59,320,739</u>

* Term Loans are secured by first pari passu charge on all the present and future fixed assets both movable and immovable property of the Company

** Term loan from 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

**5. LONG TERM PROVISIONS**

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Provision for Employees Retirement Benefits	411,958	777,167
Provision for Fringe Benefit Tax	58,368	58,368
Income Tax provision earlier years	56,102,138	56,102,138
Provision for Investments	1,152,213,978	-
	1,208,786,442	56,937,673

6. SHORT TERM BORROWINGS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Loans repayable on demand from parties		
From related parties	30,627,848	124,952,808
From others	40,634,342	40,334,342
	71,262,190	165,287,150

7. TRADE PAYABLES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Dues of Micro and Small Enterprises	-	-
Dues other than Micro and Small Enterprises	170,837,089	170,854,498
	170,837,089	170,854,498

8. OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Other payables	10,139,455	11,109,618
Statutory Liabilities	3,382,917	3,338,534
	13,522,372	14,448,152

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9. FIXED ASSETS UP TO 31ST MARCH 2014

Sl. No.	Particulars	Depn. Rate %	GROSS BLOCK		DEPRECIATION				NET BLOCK		
			As At 01.04.2013	Additions/ (Deletion) during the Year	As At 31.03.2014	Up to 01.04.2014	Depreciation on Deletions	Up to 31.03.2014	Up to 31.03.2014	As At 31.03.2014	As At 31.03.2013
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	Land	-	2,008,003	-	2,008,003	-	-	-	-	2,008,003	2,008,003
2	Buildings	3.34	36,335,703	-	36,335,703	17,647,191	1,213,612	18,860,803	18,860,803	17,474,900	18,688,512
3	Buildings- Temporary Erections	-	64,917	-	64,917	64,917	-	64,917	64,917	-	-
4	Plant & Machinery	4.75	92,885,199	(8,000,000)	84,885,199	62,442,001	4,359,472	58,801,473	4,359,472	26,083,726	30,443,198
5	Furniture & Fixtures	6.33	1,635,451	-	1,635,451	633,811	103,524	737,335	103,524	898,116	1,001,640
6	Air Conditioner - Factory	4.75	5,692,841	-	5,692,841	5,692,840	-	5,692,840	-	1	1
7	Electrical Installations - Factory	4.75	3,668,307	-	3,668,307	3,645,487	22,819	3,668,306	22,819	1	22,820
8	Lab Equipment	4.75	16,969,485	-	16,969,485	6,170,694	806,051	6,976,744	806,051	9,992,741	10,798,791
9	Office Equipment	4.75	2,105,841	-	2,105,841	1,014,604	100,027	1,114,631	100,027	991,210	1,091,237
10	Generator	4.75	1,177,812	-	1,177,812	875,527	55,946	931,473	55,946	246,339	302,285
11	Computers	16.21	1,726,618	-	1,726,618	1,700,210	5,674	1,705,883	5,674	20,735	26,408
12	Vehicles	9.50	619,304	-	619,304	487,083	58,834	545,917	58,834	73,387	132,221
	Total (A)		164,889,481	(8,000,000)	156,889,481	100,374,364	6,725,959	99,100,323	6,725,959	57,789,158	64,515,118
	Intangible Assets										
	Intellectual Property Rights		996,700,000	-	996,700,000	-	99,670,000	-	99,670,000	897,030,000	996,700,000
	Technology*	7.07	930,118,554	-	930,118,554	13,332,039	65,759,382	79,091,421	65,759,382	851,027,133	916,786,515
	Total (B)		1,926,818,554	-	1,926,818,554	13,332,039	165,429,382	79,091,421	165,429,382	1,748,057,133	1,913,486,515
	Capital Work in Progress-Buildings(C)		2,890,306	-	2,890,306	-	-	-	-	2,890,306	2,890,306
	Total (A+B+C)		2,094,598,341	(8,000,000)	2,086,598,341	113,706,403	172,155,341	178,191,743	172,155,341	1,808,736,597	1,980,891,939



10. LONG TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
(Unsecured, considered good except stated Otherwise)		
Advance for acquiring for Technologies/Patents/ Know-how	233,292,253	247,839,853
Earnest Money Deposit with Govt/ Other authorities	8,455,000	8,455,000
Advance towards acquisition of Capital Assets & Technical Know How	1,010,825,846	921,735,467
	1,252,573,099	1,178,030,320

11. OTHER NON-CURRENT ASSETS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
(Unsecured, considered good except stated Otherwise)		
Product Development Expenditure	302,408,769	302,408,768
Technology Development cost	17,476,633	17,476,633
	319,885,402	319,885,401

12. INVENTORIES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
(Value at lower of cost and net realizable value)		
Raw Material and Consumables	563,683	842,525
Finished Goods	158,690	1,634,071
	722,373	2,476,596

13. TRADE RECEIVABLES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
(Unsecured, considered good except stated Otherwise)		
Debts outstanding for a period exceeding six months from the date they are due for payment	-	-
Other Debts	182,506,106	184,334,219
	182,506,106	184,334,219

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14. CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Cash on Hand	36,413	103,432
Balance with Schedule Banks		
In current accounts	450,017	919,979
In deposit accounts	698	698
Balance with Non Schedule Bank	30,000	30,000
	517,128	1,054,109

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Balance with Banks in current accounts		
Karur vysya bank	25	25
Union Bank of India	208	208
Andhra Bank- Srinagar colony	5,107	5,107
Andhra Bank -S.R.Nagar	3,824	3,824
Axis Bank Ltd - 911020057235469	82,208	526,147
Axis Bank Ltd - 913020044397910	6,755	-
Bank of India -Ameerpet	2,544	2,544
Bank of India -Tanuku	-	61,562
Bank of India -nidadavolu	266,644	228,261
Bank of India -Tadepalligudem	50,881	60,980
ICICI Bank	1,225	1,225
Indus Ind Bank	10,500	10,000
Union Bank of India	7,636	7,636
Yes Bank	10,000	10,000
Indian Bank	2,460	2,460
	450,017	919,979
In deposit accounts		
Union Bank of India (SIBRI)	698	698
	698	698
Balance with Non Scheduled Banks		
HSBC	30,000	30,000
	30,000	30,000
	480,715	950,677

15. SHORT TERM LOANS AND ADVANCES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Unsecured, Considered good		
Capital Advance	6,677,303	6,677,303
Salary Advance	-	118,042
Rent Deposits	-	150,000
Advance to Suppliers	10,512,013	10,853,938
CENVAT Credit Recievable	147,246	614,660
Prepaid Expenditure	-	-



TRANSGENE BIOTEK LIMITED

With Holding Tax Receivables	1,030,962	1,003,996
VAT Credit Receivable	46,102	46,376
Other Receivable	77,719	70,849
	18,491,346	19,535,164

16. REVENUE FROM OPERATIONS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
	₹	₹
Diagnostic Services	4,841,758	5,616,908
Sales of Products (Net of Taxes and Duties)	2,243,200	144,688,035
Facility Rental Charges	2,726,435	-
	9,811,393	150,304,943

17. OTHER INCOME

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Miscellaneous Income	8,000,000	595,200
	8,000,000	595,200

18. COST OF MATERIAL CONSUMED

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Opening Stock	842,525	1,900,242
Add: Purchases	648,783	817,364
	1,491,308	2,717,606
Less: Closing Stock	563,683	842,525
	927,625	1,875,081
Less: Material Consumed for Product Development	-	760,825
	927,625	1,114,256

19. PURCHASE OF TRADED GOODS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Opening Stock	-	-
Add: Purchases	-	136,642,400
Less: Closing Stock	-	-
	-	136,642,400

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20. (INCREASE)/DECREASE IN FINISHED GOODS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Traded, Raw material and Finished Goods Inventories at the end of the year		
Finished Goods	158,690	1,634,071
Raw material and Consumables	-	-
	158,690	1,634,071
Inventories at the beginning of the year		
Raw material and Consumables	-	-
Finished Goods	1,634,071	6,337,500
	1,634,071	6,337,500
	1,475,381	4,703,429

21. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Salaries, wages and bonus	9,300,862	4,649,828
Contribution to provident fund and other funds	305,460	576,970
Gratuity expenses	328,807	29,878
Leave Encashment expenses	83,151	-
Staff welfare expenses	224,253	167,843
	10,242,533	5,424,519

22. FINANCIAL COSTS

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Interest to Banks and Financial institutions	-	1,924,596
Bank charges	4,860	73,297
	4,860	1,997,893

23. DEPRECIATION AND AMORTIZATION EXPENSE

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Depreciation as per IX note	172,155,341	20,301,531
Depreciation transferred to Product Development exp.	-	(10,150,766)
	172,155,341	10,150,765

**24. OTHER EXPENSES**

PARTICULARS	As at 31st March 2014	As at 31st March 2013
Conversion Charges	197,000	42,000
Power and Fuel	2,046,192	1,554,279
Rates, Taxes and Fees	411,126	775,991
Printing and Stationery	122,551	218,924
Postage and Telephone	230,044	268,238
Insurance	24,053	125,335
Legal and Professional charges	1,827,920	1,476,283
Remuneration to Auditors	192,518	259,914
Rebate and Discounts	124,982	166,414
Travelling, Transport and Conveyance	801,424	369,999
Vehicle maintenance and hire charges	206,350	251,874
Referral expenses	608,317	1,331,995
Advertisement	202,620	37,113
Listing Fee	213,443	-
R & D Expenses	3,203,102	-
Repairs & Maintenance	825,589	787,326
Lab Maintenance	813,982	605,980
Office Maintenance	165,497	276,890
Security Charges	205,467	256,141
Adminstration expenses	977,565	555,360
Business promotion expenses-HO	327,384	44,253
Business Promotion expenses-Lab Service Centres	1,496,582	1,048,719
Misc. Expenses	191,535	157,463
Interest on Statutory payments	20,793	341
	15,436,034	10,610,832

As per our report attached
For Sarath & Associates
Chartered Accountants
Firm Registration No.005120S

For and on behalf of the board of Directors
Transgene Biotek limited

Sd/-
P Sarath Kumar
Partner
Membership No. 021755

Sd/-
Dr. K. Koteswara Rao
Managing Director

Sd/-
S.S. Marthi
Director

Place : Hyderabad
Date : 06.12.2014

TWENTY FOURTH ANNUAL REPORT 2013-2014

Schedule of the consolidated financial statements for the year ended March 31st, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of financial statements:

The accompanying financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accruals basis. GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied and management evaluates all recently issued or revised accounting standards on an ongoing basis.

1. Fixed Assets and Depreciation :

Fixed Assets are stated at cost less accumulated depreciation. Cost includes all expenses related to acquisition and installation of the concerned assets and, any attributable cost of bringing the asset to the condition of its intended use.

Depreciation is provided under the straight-line method based on useful life of assets as estimated by the Management. Depreciation is charged on a monthly pro-rata basis for assets purchased / sold during the year. Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition. The Management's estimate of useful life for various fixed assets is as under :

Asset	Useful life of Asset in years
Buildings	30
Lab Equipment	15
Mis.Fixed Assets	20
Air Conditioners	15
Office Equipment	15
Electrical Instillation	15
Generator	15
Furniture and Fixtures	15
Plant and Machinery	20
Vehicles	10
Technology	14

2. REVENUE RECOGNITION

Revenue for the company is from sales of products and medical diagnostic services. Revenue from sales and services are recognized on formal acceptance by the customer/patient.

3. INVENTORIES

Raw Materials/Inventory - At the cost or the net realizable value whichever is less is considered. Cost is determined on a First in First out basis.



Finished Goods - At the cost or the net realizable value whichever is less is considered.

- 4. Expenditure on the ongoing product development for "Meningitis Vaccine, Erythropoietin, Tacrolimus, Statins (Orlistat, Lovastatin Pravastatin), Cancer products and Oral Insulin will be capitalized and written off over a period of the expected useful life of the respective products after obtaining commercial license/commencement of commercial production of the same.

(Amount in Rupees)

Opening Balance	Additions *	Closing Balance
31,98,85,402	Nil	31,98,85,402

* Total amount incurred on development of products during 2013-14

The management is of the opinion that the product development expenditure incurred on the products is technically feasible to generate future economic benefits and the company has sufficient technical resources to complete it.

5. RETIREMENT BENEFITS

- A) The Company is contributing to the Employees Provident fund maintained under the Employees Provident Fund Scheme by the Central Government.
- B) Leave encashment provided as per valuation certificate.
- C) The Company is contributing to the Employees Gratuity fund maintained under the GGCA Fund Scheme by the LIC of India.

6. INTERNALLY GENERATED INTANGIBLE ASSETS

Direct and indirect costs incurred during planning stage, and on operational activities charged to revenue in the year in which it has incurred.

Direct cost incurred on application & infrastructure development, design and content development stages are capitalized if and only if (i) it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and (ii) the cost of the asset can be measured reliably. Indirect cost incurred during application, infrastructure, development stage are charged to revenue.

7. EARNINGS PER SHARE

In determining earnings per share, the company considers the net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding at the during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares outstanding during the year.

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8. 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 regular revenue generating, investing and financing activities of the company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates exchange prevailing at the dates of the transactions.

9. INCOME-TAX

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

As there is no virtual certainty in utilizing the deferred tax asset, hence, the deferred tax asset has not been recognized in the books of accounts.

NOTES FORMING PART OF THE ACCOUNTS

1. Previous year figures have been regrouped and reclassified according to the groupings and Classifications made for the current financial year.

2. Contingent Liabilities are not provided for in respect of

	(Rs. In Lacs)	
	2013 - 14	2012-13
(i) Customs Duty Demands disputed by the Company	64.42	64.42
(ii) Claims lodged against the Company	40.00	40.00

3. Contracts remaining to be executed on Capital Account are Rs. 8705.73 Lakhs (Previous year Rs.8705.73 Lakhs).

4. The Department of Biotechnology has sanctioned a loan amount of Rs.4.09 crores under Small Business Innovative Research Initiative (SBIRI) scheme for the novel technology up gradation of orilstat research, for which a charge against movable and Immovable assets acquired from utilization of the said loan amount has been created.

5. During the year the company has made 100% provision for the investment made in the Transgene Biotek HK Limited (Subsidiary) for Rs. 92,20,09,728/- in the wake of the Auditors report of the Wholly Owned Subsidiary. Further, 100% provision is made against to M/s. Symetric Sciences Inc utilized out of GDR proceeds. The corresponding Forex Reserve created against this advance as per AS 11 was also suitably adjusted.

6. The following are the Related Party Disclosures as per the AS-18 as notified under the Companies Act 1956.



A) KEY MANAGEMENT PERSONNEL :

Dr. K. Koteswara Rao : Managing Director

Transgene Biotek HK Limited : Wholly owned subsidiary

B) The following are the transactions made with related parties:

Name of the Party	Nature of Transaction	2013-14		2012-13	
		Amount Rs. in Lakhs	Balance Outstanding as on 31.3.2014 Rs. in Lakhs	Amount Rs. in Lakhs	Balance Outstanding as on 31.3.2013 Rs. in Lakhs
Dr. K. Koteswara Rao	Remuneration Paid	15.00		12.86	
	Loan Received	0.00		142.44	
	Repayment of Loan	969.44	181.39		1150.83

7. In the opinion of the Board, current assets, loans and advances are realizable at a value, which is at least equal to the amount, at which these are stated, in the ordinary course of business. Balances of sundry debtors, sundry creditors, loans and advances, and other parties are subject to independent confirmation from the respective parties.
8. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 to the extent relevant.

Particulars of Capacities and Production

	Unit licensed	Installed	2013-14		2012-13	
			Production / Purchases	Sales	Production	Sales
Bio Chemistry	Tests	129 Lacs	NA	NIL	NIL	NIL
Immunology	Tests	166 Lacs	NA	NIL	NIL	NIL
Elisa	Tests	293 Lacs	NA	NIL	NIL	NIL
Traded Goods	NA	NA	NIL	NIL	1366.42 Lacs	1446.88 Lacs

TWENTY FOURTH ANNUAL REPORT 2013-2014

9. The Company is engaged in Diagnostic Services and trading of Bulk Drugs which as per accounting standard (AS) 17 is considered the business segments.

Rs. In Lakhs

	Diagnostic Services		CRO Services		API-DHA		Trading in Drugs		Total	
	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13	13-14	12-13
	Amt	Amt	Amt	Amt	Amt	Amt	Amt	Amt	Amt	Amt
Revenue	48.42	56.20	27.26	-	22.43	85.63	-	1361.22	98.11	1503.05
Identifiable operating expenses	44.02	49.02	13.80	-	1944.59	237.40	-	1366.93	2002.41	1653.35
Segment operating income	4.40	7.18	13.46	-	-1922.16	-151.77	-	-5.17	-1904.30	-159.76
Other Income									80.00	5.95
Total									-1824.30	1509.00
Unallocable expenses									11516.94	1707.92
Net profit before tax									-13341.24	-198.92

10. AUDITORS REMUNERATION

	2013-14 (Amount Rs.)	2012-13 (Amount Rs.)
As Auditors	142518	209914
For Tax Audit	50,000	50,000
TOTAL	1,92,518	2,59,914

11. EARNINGS PER SHARE

	2013-14(Rs)	2012-13 (Rs)
a) Profit attributable to the Equity Share Holders	(13,34,124,464)	(203,43,950)
b) Weighted Average Number of equity shares at the end of the year		
- Basic	75,770,000	65,770,000
- Diluted	70,290,548	65,770,000
c) Earning per Equity Share of Rs.10/- each		
Basic	(17.61)	(0.31)
Diluted	(18.58)	(0.31)



12. Remuneration to directors for the year ended 31.3.2014 :

Particulars	March 31st,2014	March 31st,2013
Salaries and other allowances	15.00	12.86
Contribution to provident fund	-	-
	15.00	12.86

13. EXPENDITURE IN FOREIGN CURRENCY :

	2013-14 (Amount Rs.)	2012-13 (Amount Rs.)
A) Fee For Technical Services	NIL	NIL
B) Lead Manager fee for GDR Issue	NIL	NIL
14. Particulars In Earnings in Foreign Currency :	NIL	NIL
15. CIF Value of Imports	NIL	NIL

16. Product Development Expenses comprise :

Personnel costs :	2013-14	2012-13
Salaries		
a) Bio- Therapeutics	-	1,162,457
b) NDDS	-	232,491
c) Immunosuppressants	-	464,983
d) Vaccines	-	-
e) Statins	-	464,983
Total	-	2,324,914
Stores & Spare and Consumables		
a) Bio- Therapeutics	-	380,413
b) NDDS	-	76,083
c) Immunosuppressants	-	152,165
d) Statins	-	152,165
Total	-	760,826

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Depreciation & Repairs		
a) Bio- Therapeutics	-	5,075,383
b) Immunosuppressants	-	2,537,692
c) Vaccines	-	-
d) Statins	-	2,537,692
Total	-	10,150,767
Clinical Research Expenses		
a) M.M.Vaccine	-	-
b) Cancer Drugs	-	-
c) Immunosuppressants	-	-
d) Statins	-	-
Total	-	1,628,654
Traveling, Conveyance & Vehicle expenses		
a) M.M.Vaccine		-
b) Bio-therapeutics		-
c) Vaccines		-
d) Statins and Immunosuppressants		-
	-	-
Patents related Expenses		
Payments to Attorneys		-
Other overheads		

17. Details of opening stock, closing stock, purchase and sales for the year ended March 31:

Particulars	UOM	Quantity		Value	
		2014	2013	2014	2013
				Rs.	Rs.
Inventory:					
Opening Stock	Kgs			Nil	Nil
Purchases	Kgs			6,48,783	137,459,764
Sales	Kgs			98,11,393	150,304,943
Closing Stock	Kgs		Nil	7,22,373	24,76,596



TRANSGENE BIOTEK LIMITED

18. Periodically the Company evaluates all customers due to the company for collectables. The need for provisions is assessed based on the various factors including collectables of specific dues, risk perceptions of the industry in which the customers operate, and general economic factors, which could affect the customer's ability to settle.
 19. Notes 2 to 24 form integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated.
-

Vide our report of even date
For Sarath & Associates
Firm Registration No.005120S
Chartered Accountants

For and on behalf of the board of Directors
Transgene Biotek limited

Sd/-
P Sarath Kumar
Partner
Membership No. 021755

Sd/-
Dr. K. Koteswara Rao
Managing Director

Sd/-
S.S. Marthi
Director

Place : Hyderabad
Date : 06.12.2014

TWENTY FOURTH ANNUAL REPORT 2013-2014

Regd. Office: Plot No.68, 69 & 70, Anrich Industrial Area, Bollaram, Medak District

PROXY FORM

D.P.No. Client ID No.

Reg. Folio No. No. of Shares held

I/We of in the district of being a member / members of Transgene Biotek Limited hereby appoint of in the district of or failing him/her of in the district of as my/our proxy to vote for me/ us on my/our behalf at the Annual General Meeting of the Company to be held on wednesday, the December 31, 2014 at 11.00 A.M. at Plot No.68, 69 & 70, Anrich Industrial Area, Bollaram, Medak District

Signed this day of 2014.

.....
Signature of Shareholder/s

Signature

Affix
1 Rupee
Revenue
Stamp

Note : The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

----- Tear Here -----



TRANSGENE BIOTEK LIMITED

Regd. Office: Plot No.68, 69 & 70, Anrich Industrial Area, Bollaram, Medak District
(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

Regd. Folio No. / DPID Client ID No.

Reg. Folio No. No. of Shares held

SHAREHOLDER'S NAME :
(in Block Capitals)

In case of Proxy

NAME OF PROXY :
(in Block Capitals)

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Annual General Meeting of the Company held on Wednesday, the December 31, 2014 at 11.00 A.M. at Plot No.68, 69 & 70, Anrich Industrial Area, Bollaram, Medak District.

Signature of Shareholder/s / Proxy

Note: Please bring this Attendance Slip when coming to the Meeting.

TWENTY FOURTH ANNUAL REPORT 2013-2014

Form No. MGT- 12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies
(Management and Administration) Rules, 2014]

Name of the Company: **TRANSGENE BIOTEK LIMITED**

Regd. Office: Plot No.68, 69 & 70, Anrich Industrial Area, Bollaram, Medak District

CIN: L85195TG1990PLC011065

BALLOT PAPER

S. No.	Particulars	Details
1.	Name of the first named shareholder (In Block Letters)	
2.	Postal Address	
3.	Registered Folio No./ *Client ID No. (*applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity Shares

I hereby exercise my vote in respect of Ordinary/Special Resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner:

S. No.	Item No.	No of Shares held by me	I assent to the resolution	I dissent from the resolution
1.	To receive, consider and adopt the Balance Sheet as at 31st March, 2014, the Profit and Loss Account for the year ended as on that date, Directors' Report and Auditors' Report thereon.			
2.	"RESOLVED THAT M/S Gopal & Rajan Chartered Accountants, 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 27th Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors in consultation with the Auditors in the place of retiring Auditors M/s Sarath & Associates, who retire by			



	rotation and does not offer themselves for reappointment."			
3.	RESOLVED THAT pursuant to the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr.Sarang Subhash Puranik be and is hereby appointed as a Director and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director liable to retire by rotation to hold office up to the conclusion of the 25th AGM of the Company.			
4.	"RESOLVED THAT pursuant to the provisions of Section 149 and 152 and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Shyam Shankar Das be and is hereby appointed as a Director and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director liable to retire by rotation to hold office up to the conclusion of the 25th AGM of the Company.			

Place : Hyderabad

Date:

(Signature of the Shareholder*)

(*as per Company records)

Book Post
Printed Matter



TRANSGENE
BIOTEK LIMITED
INNOVATING FOR LIFE

Regd. Office : Plot Nos. 68, 69 & 70,
Anrich Industrial Area, IDA, Bollaram, Medak District. T.S.
www.transgenebiotek.com