

**19th
Annual Report
2016-2017**



SOUTHERN ONLINE BIO TECHNOLOGIES LTD

S m a r t S o l u t i o n s a n d E c o F r i e n d l y



SBT Biodiesel Plant – Visakhapatnam



SBT Biodiesel Plant – Nalgonda Dist.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. T Rohini Reddy	- Non Executive Chairperson & Independent Director (DIN: 00638514)
Mr. N Satish Kumar	- Managing Director (DIN: 00552358)
Mr. K Radha Krishna	- Director & CFO (DIN: 01585940)
Mr. B Sreedhara Reddy	- Director Administration (DIN: 01302512)
Mr. BHR Balaji	- Executive Director (DIN: 00552538)
Mr. Ashiwini Kumar Tripathi	- Non Executive & Independent Director (DIN: 00388913)
Mr. Bachala Ashok	- Non Executive & Independent Director (DIN: 06856936)
Mr. G Viswanath	- Nominee Director (Bank of India) (DIN: 07192232)

AUDIT COMMITTEE

Ms.T Rohini Reddy	- Chairperson
Mr. Bachala Ashok	- Member
Mr. Ashiwini Kumar Tripathi	- Member

NOMINATION & REMUNERATION COMMITTEE

Ms.T Rohini Reddy	- Chairperson
Mr. Bachala Ashok	- Member
Mr. Ashiwini Kumar Tripathi	- Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms.T Rohini Reddy	- Chairperson
Mr. N Satish Kumar	- Member
Mr. K Radha Krishna	- Member

INDEPENDENT DIRECTORS COMMITTEE

Ms.T Rohini Reddy	- Chairperson
Mr. Bachala Ashok	- Member
Mr. Ashiwini Kumar Tripathi	- Member

RISK MANAGEMENT COMMITTEE

Ms. T Rohini Reddy	- Chairperson
Mr. N Satish Kumar	- Member
Mr. K Radha Krishna	- Member

BANKERS

Bank of India	- Banjara Hills Branch, Hyderabad.
State Bank of India (Earlier SBH)	- Somajiguda Branch, Hyderabad.
UCO Bank	- Banjara Hills Branch, Hyderabad
Punjab National Bank	- Sanath Nagar Branch, Hyderabad

STATUTORY AUDITORS

M/s. P. Murali & Co., Chartered Accountants
6-3-655/2/3, Somajiguda Hyderabad - 500082

COST AUDITORS

M/s. Lavanya & Associates,
29, Shalivahana Nagar, Srinagar Colony, Hyderabad - 500073

SECRETARIAL AUDITOR

M/s. M. Sambhu Prasad & Associates,
Practicing Company Secretaries
D.No: 49-9-10, Lalitha Nagar, Akkayapalem, Visakhapatnam, Andhra Pradesh – 530016

REGISTRAR & TRANSFER AGENTS

Aarthi Consultants Pvt Ltd
1-2-285, Domalguda, Hyderabad - 500 029
Tel No.040-27638111
E-mail: info@arthiconsultants.com

WORKS

- I. Survey Nos.6 & 7, Samsthan Narayanpur (V&M), Nalgonda Dist, Telangana.
- II. Plot No.45/A, APSEZ, Atchutapuram, Rambilli Mandal Visakhapatnam - 531 011, Andhra Pradesh

REGISTERED OFFICE

Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana 500004
Tel: (040) 2324 1999, Fax: (040) 2324 1444
E-mail: info@sol.net.in

CIN : L72900TG1998PLC030463
WEBSITE : www.sol.net.in
INVESTORS EMAIL ID : investors@sol.net.in

NOTICE OF 19th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **19th Annual General Meeting** of the members of **SOUTHERN ONLINE BIOTECHNOLOGIES LIMITED** will be held on Saturday, the 30th December, 2017 at 10.00 AM at Dwaraka Conference Hall, Plot No.73, Reliance Chambers, Bandlaguda Cross Roads, Rajendranagar Mandal, Hyderabad - 500030 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements (standalone and consolidated) of the Company for the year ended 31st March 2017, including the audited Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr K Radha Krishna who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Statutory Auditors.

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

“RESOLVED THAT pursuant to the provisions of sections 139 and other applicable provisions of the Companies Act, 2013, (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the company hereby appoints M/s. Chandra Babu Naidu & Co., Chartered Accountants, bearing ICAI Registration No.: FRN 016016S as the Statutory Auditors of the Company to hold office from the conclusion of this 19th Annual General meeting until the conclusion of the Annual General Meeting to be held for the financial year 2021-22 on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF COST AUDITORS

To ratify the remuneration payable to cost auditors, M/s. Lavanya & Associates Cost Accountants for the financial year ending 31st March 2018.

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Lavanya & Associates, Cost Accountants (Firm Registration No.101257) appointed by the Board of Directors of the Company as cost auditors for the financial year ending 31st March 2018, be paid a remuneration of Rs.20,000/- (Rupees Twenty Thousand) per annum.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

By Order of the Board
For Southern Online Bio Technologies Limited

Sd/-
N Satish Kumar
Managing Director
(DIN: 00552358)

Place : Hyderabad
Date : 20.11.2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising such representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.12.2017 to 30.12.2017 (both days inclusive) for the purpose of annual closure.
4. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and the Company has paid the Listing Fees to the said Stock Exchange for the year FY 2016-17.
5. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
6. Members holding shares in dematerialized form are requested to intimate all changes pertaining to nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Aarathi Consultants Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Aarathi Consultants Private Limited.
7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Aarathi Consultants Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

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10. Regulation 36 of SEBI (LODR) Regulations, 2015 permits sending of soft copies of annual reports to all those members who have registered their email addresses for the purpose.

The Companies Act, 2013 has also recognized serving of documents to any member through electronic mode. As per Central Depository Securities Limited, email addresses made available by the Depository for your respective DPs accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices / documents including those covered under Section 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the applicable rules. In light of the requirements prescribed by the aforesaid circulars, for those members whose Depository Participant accounts do not contain the details of their email addresses, printed copies of the Annual Report would be dispatched.

11. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
12. The Securities and Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
13. Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules under the Act, the Company is pleased to provide the facility to the Members to exercise their right to vote through electronic voting. The members who have not cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.
14. The members whose names appear on the Register of Members/ list of beneficial owners as on 22nd December, 2017 are eligible to participate in e-voting on the resolutions set forth in this notice.
15. The Companies (Management and Administration) Rules, 2015 provide that the electronic voting period shall close at 5:00 PM, on the date preceding the AGM. Accordingly, the e-voting will be available at www.evotingindia.com. The remote e-voting period will commence at 9:00 A.M. (IST) on 27th December, 2017 and will end at 5:00 P.M. (IST) on 29th December, 2017. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled.
16. The member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
17. In order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set forth in their Notice, the Company is enclosing a Ballot form with the Notice. Resolution (s) passed by the members through ballot forms, remote e-voting and voting at the AGM are deemed to have passed as if they have been passed at the AGM.

18. The Company has appointed Mr. S. Sarveswar Reddy, Company Secretary in Practice, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting, remote e-voting process and through ballot form in a fair and transparent manner.
19. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail ids with the Company / their respective Depository Participant along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participant are being forwarded the login ID and password for e-voting along with process, manner and instruction by e-mail.
20. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s Aarthi Consultants Private Limited, Domalguda, Hyderabad. Further, kindly note that members holding shares in physical form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for affecting the physical share transfer.
21. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date of 22nd December, 2017, may obtain User ID and Password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for e-voting, then you can use your existing User ID and Password for casting your vote.
22. Please note that, any queries pertaining to accounting related aspects may be posted/handed over to the Secretarial Department at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.
23. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses set out above is annexed herewith.
24. In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 and Sections 108 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members. The instructions for e-voting are as follows:

INSTRUCTIONS FOR EVOTING

- i. The voting period begins on 27th December, 2017 at 9.00 a.m. and ends on 29th December, 2017 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd December, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.
- 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:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>◆ 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.</p> <p>◆ In case the sequence number is 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.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>◆ If both 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).</p>

- 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.

- 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 Southern Online Biotechnologies 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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login 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 and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRIs etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - 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 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.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - 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**.

Please follow the instructions as prompted by the mobile app while voting on your mobile.

By Order of the Board
For Southern Online Bio Technologies Limited

Sd/-
N Satish Kumar
Managing Director
(DIN: 00552358)

Place : Hyderabad
Date : 20.11.2017

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4:

The Board on recommendation of the Audit committee has approved the re-appointment of M/s. Lavanya & Associates, Cost Accountants, as Cost Auditors at a remuneration of Rs. 20,000/- (Rupees Twenty Thousand per annum) to conduct the audit of the cost records of the Company for the financial year ending 31.03.2018.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 04 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors / Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this resolution set out at item no. 04 of the notice.

The Board recommends the Resolution set out in item no. 04 of the notice for approvals of members.

By Order of the Board
For Southern Online Bio Technologies Limited

Sd/-
N Satish Kumar
Managing Director
(DIN: 00552358)

Place : Hyderabad
Date : 20.11.2017

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	Mr K Radha Krishna
Date of Birth	12.02.1968
Date of Appointment	09.11.1998
Qualifications	Graduate in Civil Engineering
Expertise in Specific Functional Areas	<p>Mr K Radha Krishna (DIN: 01585940) aged 49 years is Graduate in Civil Engineering.</p> <p>Mr K Radha Krishna, aged 48yrs, is a graduate in Civil Engineering. He has 24 years of rich experience in fields of construction, Information technology and biodiesel. He is one of the Promoter Director of (SBTL).</p> <p>He is Director of SBTL from inception of the company to2004. From 2005 onwards he is Director Finance of the Company. He is having rich experience in Finance. He played a major role in diversifying the company into Biodiesel manufacture.</p> <p>Under his leadership the Company has got huge orders for supply biodiesel to many reputed customers (both in India and abroad).</p>
List of Companies in which outside Directorships held as on 31.03.2017	Southern Biofe Biofuels Pvt Ltd. Southern Online Services Ltd.
Chairman / Member of the *Committees of other Companies on which he is a Member as on 31.03.2017	NIL
Number of equity shares held in the Company	25,34,657

DIRECTORS REPORT

To the Members,

The Directors have pleasure in presenting before you the Nineteenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

1. FINANCIAL RESULTS:

The performance during the period ended 31st March, 2017 has been as under:

(Rs. in Lakhs)

Particulars	2016-17	2015-16
Total Income	12,409.50	22,164.50
Total Expenditure	19,898.28	22,906.40
Profit before Tax	-7,488.77	-741.90
Provision for Tax	49.65	-240.71
Profit after Tax	-7,538.42	-501.19
Transfer to General Reserve	0.00	0.00
Profit available for appropriation	0.00	0.00
Provision for Proposed Dividend	0.00	0.00
Provision for Corporate Tax	0.00	0.00
Balance Carried to Balance Sheet	-7,538.42	-501.19

2. PERFORMANCE:

Operations:

The total revenue of the Company for the financial year ended 31st March, 2017 is Rs 12409.50 lakhs as compared to the previous year's total revenue of Rs 22164.50 lakhs. During this financial year the Company has incurred a net loss of Rs 7538.42 lakhs as against the previous year's net loss of Rs 501.19 lakhs. The net loss incurred is due to lack of working capital which resulted in to poor operations in both plants. More over currently both plants are under shutdown.

Prospects:

As per Government of India's Initiatives to promote the use of Bio diesel fuel, Government has made it compulsory to use 5% as bio diesel fuel of its total fuel requirement. On account of this mandatory action, the Company has good number of orders in hand various Government owned transport organisations.

Indian Government has introduced a new policy. The Goal policy is to ensure that a minimum level of biofuels become readily available in the market to meet the demand at any given time. An indicative target of 20% blending of biofuels, both for bio diesel and bio ethanol by 2017 is proposed.

Hence the Biodiesel industry has got very good future.

Company Prospects:

Company plans to revive the present situation.

ISP Division

The Company presently provides internet services as a Licensed ISP. The Company Services include the following:

- Server Co-Location
- Leased Line services (Terrestrial and RF links)
- Broad band services
- Networking solutions
- Web hosting services

Bio Diesel Division:

The Company has two Bio diesel units, one is at Samsthan Narayanpur (V&M), Nalgonda District, Telangana State with 36 TPD capacity and the other is at APIIC, SEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam, Andhra Pradesh state with 250 TPD capacity.

The Company has been supplying Biodiesel to various well reputed customers like Indian Railways, Telangana State Road Transport Corporation, Indian Oil Corporation Limited, Sovino foods Pvt Ltd, Jubilant Generics Ltd, G.S B Forge Pvt Ltd, Coronet Foods Pvt Ltd, Bio Future Ltd, Bharat Petroleum Corporation Ltd, Hindustan Petroleum Corporation Limited, Indian Oil Corporation, My ECO Energy Ltd and other traders etc.,

Currently both units are under shut down, due to lack of working capital.

Bio diesel Plant at Tondiarpet, Chennai:

The 30 TPD Biodiesel plant for Indian Railways Organization for Alternate Fuels (IROAF), Ministry of Railways is under implementation by the Company and is expected to commence the production during this financial year.

Biodiesel plant at Raipur, Chhattisgarh:

Company has received Letter of Acceptance for executing the Raipur bio diesel plant at Chhattisgarh for IROAF.

Bio diesel orders:

The Company has received Biodiesel supply Orders from Oil manufacturing companies viz Indian Oil Corporation, Hindustan Petroleum Corporation Limited and Bharat Petroleum Corporation Limited apart from State Road Transport corporations.

ISCC CERTIFICATE:

Company has acquired prestigious International Sustainability and Carbon Certification (ISCC EU) which is approved by European Commission, Germany.

3. DEPOSITS:

The Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

4. PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the Annexure-I forming part of this Report.

5. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 134 of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- a) That the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2017 and of the profit and loss of the company for that period;
- c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the directors have prepared the annual accounts for the financial year 31st March, 2017 on a going concern basis; and
- e) That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

7. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

8. RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever

required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.sol.net.in.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is prepared in Form AOC-2 pursuant to clause (h) of the Companies (Accounts) Rules, 2014 and the same is annexed herewith as Annexure-II to this Report.

9. EXTRACT OF ANNUAL RETURN:

The Extracts of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 are enclosed as Annexure-III to this Report.

10. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The independent directors have submitted the declaration of independence, as required pursuant to sub-section (7) of section 149 of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149.

11. NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

12. SUBSIDIARIES:

Your company has the following Subsidiaries as mentioned below. Further there has been no material change in the nature of business of the Subsidiary.

Southern Biofe Biofuels Pvt Ltd (SBBF) is a wholly owned subsidiary of the Company. SBBF was incorporated on 08.05.2002 with an authorized share capital of Rs.34,40,000/-. SBBF initially focused on the establishment and production of biodiesel, the activity of which has been taken over by Southern Online Bio Technologies Ltd. The Company has no operations in the last financial year.

Sl.No.	Name of the Company	Percentage(%)
Subsidiary Companies:		
1	Southern Biofe Biofuels Pvt Ltd (SBBF)	99.97
2	Marvel Bio Oil FZE Sharjah, UAE	100.00

In terms of proviso to sub section (3) of Section 129 of the Act, 2013 read with Companies (Accounts) Rules, 2014, the salient features of the financial statement of the subsidiaries and Associates is set out in the prescribed Form AOC-1, which forms part of the annual report. - Annexure IV.

13. INTERNAL AUDITORS:

M/s V. Ravi & Co., Chartered Accountants, Hyderabad shall be the Internal Auditors of the Company.

14. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s M. Sambhu Prasad & Associates Practicing Company Secretaries to conduct Secretarial audit of the company for the financial year ended March 31st, 2017.

The Secretarial Audit Report issued by M/s. M Sambhu Prasad & Associates, Practicing Company Secretaries in Form MR-3 is enclosed as Annexure-V to this Annual Report.

The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

15. STATUTORY AUDITORS:

The Auditors, M/s P Murali & Co., Chartered Accountants, Hyderabad retire at this Annual General Meeting and M/s Chandra Babu Naidu & Co., Chartered Accountants offer themselves for appointment.

16. AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks made by M/s P Murali & Co., Chartered Accountants, Statutory Auditors in their report for the Financial Year ended 31st March, 2017.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

Corporate Social Responsibility required to be disclosed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the company. Hence, composition of committee is not required.

18. PARTICULARS OF LOANS, GUARANTEES OR SECURITIES OR INVESTMENTS:

The Company has not given loans / guarantees or made any investments during the year under review.

19. COST AUDITORS:

The Board of Directors, subject to the approval of the Central Government, re-appointed M/s Lavanya & Associates, Cost Accountants, as a Cost Auditor for conducting the Cost Audit for the financial year 2017-18. Subject to section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 issued by the MCA, the Audit Committee recommended their re-appointment. The Company has also received a letter from the Cost Auditor, stating that the appointment, if made, will be within the limits prescribed pursuant to the section 141 of Companies Act, 2013.

20. RATIO TO REMUNERATION TO EACH DIRECTORS AND PARTICULARS OF EMPLOYEES:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, ratio of remuneration to median employees for Mr. N Satish Kumar is 1: 2.6 times in rupees and for Mr. K Radha Krishna is 1: 1.6 times in rupees.

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

21. CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements prepared and annexed in accordance with the Accounting Standards 21 and 23 as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India ("SEBI") also forms part of this Annual Report.

As per the provisions of Section 136 of the Companies Act, 2013, the Company has placed separate audited accounts of its subsidiaries on its website www.sol.net.in and copy of separate audited financial statements of its subsidiaries will be provided to the shareholders at their request.

22. SHARE CAPITAL:

The Authorised share capital of the Company is Rs 75,00,00,000 (Rupees Seventy Five Crores) divided into 7,50,00,000 equity shares of Rs 10/- each. The paid up capital of the Company is Rs 58,99,32,880/- divided into 5,89,93,288 equity shares of Rs 10/- each.

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., Bio Diesel Products, internal controls and their adequacy, risk management systems and other material developments during the financial year.

Management Discussion and Analysis Report is presented in a separate section forms part of the Annual Report as Annexure-VI.

24. BOARD EVALUATION:

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

The criteria covered various aspects for evaluation of Independent Directors such as Participation at the Board / Committee meetings, Commitment (including guidance provided to senior management outside of Board/ Committee meetings), Effective deployment of knowledge and expertise, Integrity and maintaining of confidentiality, Independence of behaviour and judgment, exercise of objective independent judgment in the best interest of the Company, Ability to contribute to and monitor corporate governance practice and Adherence to the code of conduct for independent directors, for Evaluation of the Board, Implementation of robust policies and procedures and Size, structure and expertise of the Board were considered, for Evaluation of the Managing Director and Non-Executive Directors, Participation at the Board / Committee meetings, Effective deployment of knowledge and expertise;

Discharge of its functions and duties as per its terms of reference, Process and procedures followed for discharging its functions, Effectiveness of suggestions and recommendations received were considered, for evaluation of Chairman of the Board aspects such as Managing relationship with the members of the Board and management, and effective decision making at the board were considered.

25. DIRECTORS AND KEY MANAGERIAL PERSONAL (KMP):

Mr. K Radha Krishna, Director & CFO of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Ms. G Anupama, Company Secretary resigned on 05.07.2016.

Ms. D Manoranjani appointed as Company Secretary on 05.07.2016 and resigned on 24.04.2017.

Ms. Ankita Damani appointed as Company Secretary on 24.04.2017 and resigned on 22.05.2017.

26. MEETINGS:

During the financial year under review, 6 (Six) Board Meetings 30.05.2016, 05.07.2016, 13.08.2016, 14.11.2016, 14.02.2017, 03.03.2017 and 4 (Four) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015.

27. CORPORATE GOVERNANCE:

The Company has implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

A separate report on corporate governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliances forms an integral part of this Report.

28. VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

29. CHANGE IN NATURE OF BUSINESS:

There is no change in nature of business of the Company.

30. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31st March, 2017 to which the financial statements relates and the date of signing of this report.

31. HUMAN RESOURCES:

The industrial relations of the Company continued to be harmonious during the year under review.

32. ISO 9001-2008 CERTIFICATION:

Your Company continues to hold ISO 9001-2008 Certification by meeting all the requirements of Certification from time to time.

33. POLICY ON SEXUAL HARRASSEMENT:

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the financial year ended 31st March, 2017, the Company has not received any Complaints pertaining to Sexual Harassment.

34. DEMATERIALISATION OF SHARES:

92.71% of the company's Paid-up Equity Share Capital is in dematerialized form as on 31st March, 2017 and balance 7.29% is in physical form. The Company's Registrars are M/s Aarathi Consultants Pvt. Ltd., having their registered office at 1-2-285, Domalguda, Hyderabad - 500 029.

35. INSURANCE:

The properties and assets of your Company are adequately insured.

36. UNCLAIMED SECURITIES DEMAT SUSPENSE ACCOUNT:

As on date, there are 8239 Equity Shares of Rs.10/- each, which were allotted in Initial Public Offer and Rights Issue of 2005, were lying in the escrow account due to non-availability of 18 shareholders correct particulars. Despite various reminders to them, by M/s. Aarathi Consultants Private Limited, Registrars and Share Transfer Agents, no response has been received. As a result, the said unclaimed shares were credited to Southern Online Bio Technologies Ltd - Unclaimed Securities Demat Suspense Account. Such shareholders may approach either the Company or our Registrars and Share Transfer Agents with their correct particulars and proof of their identity for crediting requisite shares from the Demat Suspense Account to their individual demat Accounts. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

37. TRANSFER TO RESERVES:

Directors have decided not to transfer any amount to reserves for the year.

38. REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review

39. DIVIDEND:

Company has not declared any dividend during the year.

40. STATUTORY COMPLIANCE:

The Company has complied with the required provisions relating to statutory compliance with respect to affairs of the Company with all respects.

41. COMPLIANCE WITH SEBI (LODR) REGULATIONS, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. www.sol.net.in

- Board Diversity Policy

-
- Policy on preservation of Documents
 - Risk Management Policy
 - Whistle Blower Policy
 - Familiarisation programme for Independent Directors
 - Sexual Harassment Policy
 - Related Party Policy
 - Code of Conduct

42. RISK MANAGEMENT POLICY:

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management policy / plan for the Company and ensuring its effectiveness. The Risk Management Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

43. DISCLOSURE OF COST AUDIT:

Cost Audit is applicable to your Company.

44. NON-EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

45. CEO/CFO CERTIFICATION:

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N Satish Kumar, Managing Director, Mr. K Radha Krishna, Chief Financial Officer (CFO) have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31st, 2017 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

46. INDUSTRY BASED DISCLOSURE:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

47. EVENT BASED DISCLOSURE:

During the year under review, the Company has not taken up any of the following activities:

1. **Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

2. **Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. **Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
4. **Non- Exercising of voting rights:** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. **Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The company did not purchase or give any loans for purchase of its shares.
6. **Buy back shares:** The company did not buy-back any shares during the period under review.
7. **Preferential Allotment of Shares:** The company did not allot any shares on preferential basis during the period under review.

48. SECRETARIAL STANDARDS:

The company is in compliance with SS 1 & SS 2.

49. COMPOSITION OF COMMITTEES

The Composition of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee is mentioned in Corporate Governance Report.

50. APPRECIATION:

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry, despite increased competition from several existing and new players.

51. ACKNOWLEDGEMENT:

The Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government, Indian Railways Organisation for Alternate Fuels, Indian Railways, Telangana State Road Transport Corporation, Andhra Pradesh Road Transport Corporation, Material suppliers, customers and the shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 20.11.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

ANNEXURE-I

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO (Information Under Section 134(3)(m) of The Companies Act, 2013, Read with Rules 8(3) of the Companies (Accounts) Rules, 2014)

FORM A

1.	CONSERVATION OF ENERGY	:	
(i)	Energy Conservation measures	:	Nil
(ii)	Total energy consumption	:	Nil
2.	TECHNOLOGY ABSORPTION	:	Nil

FORM B

(Disclosure of particulars with respect to Technology Absorption)

A.	Research and Development (R & D)	:	
1.	Specific areas in which R & D is carried out by the company	:	NA
2.	Benefits derived as a result of the above R & D	:	NA
3.	Future plan of action	:	NA
4.	Expenditure on R & D	:	NA
B.	Technology absorption, adaptation and innovation	:	NA

The Company is making all its efforts for improving productivity, product quality and reducing consumption of scarce raw materials and fuels.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports and initiatives taken to increase export products and services and export plans : NIL

Total Foreign Exchange used and earned:

Used	:	Rs. 6,63,90,894
Earned	:	Rs.69,63,000

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 20.11.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

ANNEXURE - II
FORM AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

SI.No	Particulars	Details
a)	Name(s) of the related party & Nature of relationship	Mr. N Satish Kumar, Mr. K Radha Krishna, and Mr. B Sreedhara Reddy, Whole Time Directors of the Company.
b)	Nature of contracts / arrangements / transaction	Four Wheeler Vehicles (Cars) on Lease to Wholetime Directors of the Company.
c)	Duration of the contracts / arrangements / Transactions	Three years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.85,000 per month per car
e)	Date of approval by the Board, if any	14 th August 2014 (Special Resolution was passed in the Annual General Meeting held on 30 th September 2014)
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 20.11.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

ANNEXURE - III

EXTRACT OF ANNUAL RETURN FORM MGT 9

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)
Financial Year ended on 31.03.2017

I. REGISTRATION & OTHER DETAILS:			
I	CIN	:	L72900TG1998PLC030463
ii	Registration Date	:	09.11.1998
iii	Name of the Company	:	SOUTHERN ONLINE BIOTECHNOLOGIES LTD.
iv	Category / Sub-category of the Company	:	Company limited by shares / Non-Government Company
V	Address of the Registered office & contact details	:	Flat No. A3, 3 rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana-500004 Tel:(040)23241999, Fax:(040)23241444 Website:www.sol.net.in, Email:info@sol.net.in
Vi	Whether Listed Company	:	Listed at BSE Ltd
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Aarhi Consultants Pvt.Ltd. 1-2-285, Domalguda, Hyderabad-500029 Phone:040-27642217/27638111, Fax:040-27632184 Email:info@aarhiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

SNo	Name & Description of main products / services	NIC Code of the Product / service	% To total turnover of the company
1	Manufacture of Biodiesel	40107	78
2	Trading of Oils	63023	18

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S.No	Name and address of the Company	CIN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Southern Biofe Biofuels Pvt. Ltd	U40107TG2002PTC038919	Subsidiary	99.97	2(87)
2	Marvel Bio Oil FZE Sharjah, UAE	-	Foreign Subsidiary	100	-

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Indian									
a. Individuals/Hindu undivided Family	1,15,65,081	0	1,15,65,081	19.60	1,15,65,081	0	1,15,65,081	19.60	0.00
b. Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
e.i. Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
e.ii. Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	1,15,65,081	0	1,15,65,081	19.60	1,15,65,081	0	1,15,65,081	19.60	0.00
Foreign									
a. Individuals(Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b. Government	0	0	0	0.00	0	0	0	0.00	0.00
c. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d. Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
f.i. Corporate Bodies - Foreign Body	0	0	0	0.00	0	0	0	0.00	0.00
f.ii. Corporate Bodies - OCB Non Repatriable	0	0	0	0.00	0	0	0	0.00	0.00
f.iii. Corporate Bodies - OCB Repatriable	0	0	0	0.00	0	0	0	0.00	0.00
f.iv. Foreign Institutional Investor (FII) - Others	0	0	0	0.00	0	0	0	0.00	0.00
f.v. Foreign Institutional Investor (FII) - DR	0	0	0	0.00	0	0	0	0.00	0.00
f.vi. Bank - Foreign Bank	0	0	0	0.00	0	0	0	0.00	0.00
f.vii. Trust	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,15,65,081	0	1,15,65,081	19.60	1,15,65,081	0	1,15,65,081	19.60	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
1 Institutions									
(a) Mutual Funds/UTI	0								
(b) Financial Institutions/Banks									
(c) Central Government /State Government(s)									
(d) Venture Capital Funds									
(e) Insurance Companies									
(f) Foreign Institutional Investors	20,00,000	0	20,00,000	3.39	0	0	0	0.00	3.39
(g) Foreign Portfolio Investors	30,05,125	0	30,05,125	5.09	39,35,125	0	39,35,125	6.67	-1.58
(h) Qualified Foreign Investor									
(i) Any Others(Specify)									
(i-i) Foreign Companies									
Sub Total (B)(1)	50,05,125	0	50,05,125	8.48	39,35,125	0	39,35,125	6.67	1.81
B2 Non-Institutions									
(a) Bodies Corporate	52,87,338	47,046	53,34,384	9.04	46,89,314	47,046	47,36,360	8.03	1.01
(b) Individuals									
(I) Individual shareholders holding nominal share capital upto Rs.2 lakh	78,44,855	3,27,477	81,72,332	13.85	93,14,874	3,26,977	96,41,851	16.34	-2.49
(II) Individual shareholders Holding nominal share capital in excess of Rs.2 lakh	1,66,72,481	4,38,000	1,71,10,481	29.00	1,89,23,464	4,38,000	1,93,61,464	32.82	-3.82
(c) Qualified Foreign Investor									
(d) Any Others(Specify)									
(d-i) Non Resident Individuals									
(d-ii) Overseas Corporate Bodies	0	10,000	10,000	0.02	0	10,000	10,000	0.02	0.00
(d-iii) Trusts (NBFC)	0	0	0	0.00	3,500	0	3,500	0.01	-0.01
(d-iv) Employees			0				0		0.00
(d-v) NRI - Non Repatriable	2,00,173	71,300	2,71,473	0.46	2,02,403	71,300	2,73,703	0.46	-0.00
(d-vi) Clearing Members	3,68,569	0	3,68,569	0.62	3,44,353	0	3,44,353	0.58	0.04
(d-vii) Foreign Nationals	12,76,102	0	12,76,102	2.16	12,76,102	0	12,76,102	2.16	0.00
(d-viii) NRI - Repatriable	23,16,371	0	23,16,371	3.93	13,24,045	0	13,24,045	2.24	1.68
(e) Foreign Body	41,56,601	34,06,769	75,63,370	12.82	31,14,935	34,06,769	65,21,704	11.05	1.77
Sub Total (B)(2)	3,81,22,490	43,00,592	4,24,23,082	71.91	3,91,92,990	43,00,092	4,34,93,082	73.73	-1.81
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,31,27,615	43,00,592	4,74,28,207	80.40	4,31,28,115	43,00,092	4,74,28,207	80.40	0.00

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C) Shares held by Custodians and against Depository Receipts have been issued									
(1.) Shareholding of Promoters and Promoter Group	0	0	0	0	0	0	0	0	0
(2.) Public Shareholding	0	0	0	0	0	0	0	0	0
Total Non-Promoter-Non Public Shareholding (C)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,15,65,081	0	1,15,65,081	19.60	1,15,65,081	0	1,15,65,081	19.60	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,31,27,615	43,00,592	4,74,28,207	80.40	4,31,28,115	43,00,092	4,74,28,207	80.40	0.00
Total Non-Promoter-Non Public Shareholding (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total	5,46,92,696	43,00,592	5,89,93,288	100	5,46,93,196	43,00,092	5,89,93,288	100	0

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in
		No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr N Satish Kumar	60,27,652	10.22	10.22	60,27,652	10.22	10.22	0.00
2	Mr K Radha Krishna	25,34,657	4.30	4.30	25,34,657	4.30	4.30	0.00
3	Mr BHR Balaji	7,11,657	1.20	0.77	7,11,657	1.20	0.77	0.00
4	Mr B Sreedhara Reddy Reddy	21,22,157	3.60	3.60	21,22,157	3.60	3.60	0.00
5	Ms K Subhashini	97,500	0.16	0.00	97,500	0.16	0.00	0.00
6	Ms K Sumithra	51,000	0.08	0.00	51,000	0.08	0.00	0.00
7	Ms N Rama Devi	10,458	0.02	0.00	10,458	0.02	0.00	0.00
8	Mr B Praveen	5,000	0.01	0.00	5,000	0.01	0.00	0.00
9	Mr V Narasimha Reddy	5,000	0.01	0.00	5,000	0.01	0.00	0.00
	Total	1,15,65,081	19.60	18.89	1,15,65,081	19.60	18.89	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of The company
1	At the beginning of the year	11565081	19.60	11565081	19.60
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc.):	-	-	-	-
3	At the End of the year	11565081	19.60	11565081	19.60

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of The company
1	At the beginning of the year				
	AlSried Company for trade Ltd	3406769	5.77	3406769	5.77
	Advait B.V.	4156601	7.05	3114935	5.28
	National Westminster Bank PLC as Trustee of the Jupiter	2000000	3.39	2000000	3.39
	PKR Ocimum Infra projects Private Ltd	2000000	3.39	2000000	3.39
	Christian A Schmidt	1276102	2.16	1276102	2.16
	Mohammad Salahuddin	1500000	2.54	1212625	2.06
	APMS Investment Fund Ltd	1890618	3.20	890618	1.51
	Jupiter South Asia Investment Company Limited	784507	1.33	784507	1.33
	Poondla Sunil Kumar Reddy	750000	1.27	750000	1.27
	Poondla Dayakara Reddy	776060	1.32	707624	1.20
	Total	18540657	31.42	16143180	27.36

(v) Shareholding of Directors and Key Managerial Personnel :

Sl No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of The company	No. of shares	% of total shares of The company
1	At the beginning of the year				
1	Mr N Satish Kumar	6027652	10.21	6027652	10.21
2	Mr K Radha Krishna	2534657	4.30	2534657	4.30
3	Mr B Sreedhara Reddy	2122157	3.60	2122157	3.60
4	Mr BHR Balaji	711657	1.21	711657	1.21
5	Ms T Rohini Reddy	5000	0.01	5000	0.01
6	Mr Ashiwini Kumar Tripathi	20600	0.03	20600	0.03
7	Mr Bachala Ashok	0	0	0	0
8	Mr G Viswanath	0	0	0	0
9	Ms G Anupama (KMP)*	30000	0.05	30000	0.05
	Total	11451723	19.41	11451723	19.41

	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	No equity shares allotted to Directors and Key Managerial Personnel during the year 2016-17
--	--	---

III	At the End of the year				
1	Mr N Satish Kumar	6027652	10.21	6027652	10.21
2	Mr K Radha Krishna	2534657	4.30	2534657	4.30
3	Mr B Sreedhara Reddy	2122157	3.60	2122157	3.60
4	Mr BHR Balaji	711657	1.21	711657	1.21
5	Ms T Rohini Reddy	5000	0.01	5000	0.01
6	Mr Ashiwini Kumar Tripathi	20600	0.03	20600	0.03
7	Mr Bachala Ashok	0	0	0	0
8	Mr G Viswanath	0	0	0	0
9	Ms D Manoranjani	-	-	-	-
	Total	11451723	19.41	11451723	19.41

* Note: Ms G Anupama (KMP) at the beginning of the year resigned on 05.07.2016.

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs in Lakhs)

Financial year 2016-17				
Particulars	Secured Loans	Un Secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i). Principal Amount	16,670.69	455.15	-	17,125.84
ii). Interest due but not paid	-	-	-	-
iii). Interest accrued but not due	525.69	-	-	525.69
Total (i+ii+iii)	17,196.38	455.15	-	17,651.53
Change in Indebtedness during the financial year				
Addition	3,432.87			3,432.87
Reduction	-574.81			-574.81
Net Change	2,858.06	-	-	2,858.06
Indebtedness at the end of the financial year				
i). Principal Amount	16,095.88	455.15		16,551.03
ii). Interest due but not paid	3,958.56			3,958.56
iii). Interest accrued but not due				-
Total (i+ii+iii)	20,054.44	455.15	-	20,509.59

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs in Lakhs)

Sl.No. Particulars	Name of MD / WTD/ Manager					Total Amount
	Mr N Satish Kumar Managing Director	Mr K Radha Krishna WTD	Mr B Sreedhara Reddy WTD	Mr BHR Balaji WTD	CS KMP *	
1. Gross salary	19.20	12.00	12.00	12.00	5.58	61.32
(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
(b) Value of perquisites/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2. Stock Option	-	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-	-
4. Commission						
- as% of profit	-	-	-	-	-	-
- others, specify						
5. Others, please specify	-	-	-	-	-	-
Total(A)	19.20	12.00	12.00	12.00	5.58	61.32

* Note: CS KMP: Ms G Anupama 3 months @ Rs 51000/- per month & Ms D Manoranjani 9 months @ Rs 45000/- per month

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Company Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty Punishment Compounding	Nil				
B. DIRECTORS					
Penalty Punishment Compounding	Nil				
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding	Nil				

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 20.11.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

ANNEXURE - IV

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of subsidiaries)

Part "A": Subsidiaries

(Amount in Rupees)

S No	Name of the Subsidiary	Reporting period For the subsidiary concerned, if different From the holding company's reporting period	Reporting currency And Exchange rate as on the last date of The relevant financial year in The case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Turn over	PBT	Provision for taxation	Profit after taxation	Proposed Dividend	%of share holding
1	SBBF	31.03.2017	INR	3432000	-	4950244	1518244	-	-	-	-	-	99.97
2	Marvel Bio oil FZE	31.03.2017	Dirham	431550	-	1166863	735313	-	-	-	-	-	100

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

Place: Hyderabad
Date: 20.11.2017

FORM MR-3
SECRETARIAL AUDIT REPORT
(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

To
The Members of
M/s. Southern Online Bio Technologies Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Southern Online Bio Technologies Limited (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2016 to 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Southern Online Bio Technologies Limited ("The Company") for the financial year ended on 31st March 2017, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014; and there after
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act')
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2016-17.
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with yearly and event based disclosures.

- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review.**
- v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.**
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. <http://www.sol.net.in>**
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable and

The Company has framed the policies as mentioned below and displayed the same on the Company's website i.e. <http://www.sol.net.in>

3. During the year the Company has conducted 6 Board meetings, 4 Audit committee meetings and 1 Independent Directors meeting. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013 and the Rules, Regulations, Guidelines, Standards, etc.,

We further report that the compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

OBSERVATIONS:

- (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
 - i. the provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
 - External Commercial Borrowings were not attracted to the Company under the financial year under report;

- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
 - Overseas Direct Investment by Residents in Joint Venture / Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- ii. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs / ADRs or any Commercial Instrument under the financial year under report.

(b) We further report that:

- i. The Company has a CFO namely Mr. K. Radhakrishna
- ii. The Company has internal auditors namely M/s. Ravi & Co, Chartered Accountants, Hyderabad.

Place: Visakhapatnam
Date: 20.11.2017

For M. Sambhu Prasad & Associates

Sd/-
Sambhu Prasad
Proprietor
C.P.No: 11723

Annexure A

To
The Members of
M/s. Southern Online Bio Technologies Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Visakhapatnam
Date: 20.11.2017

For M. Sambhu Prasad & Associates

Sd/-
Sambhu Prasad
Proprietor
C.P.No: 11723

ANNEXURE - VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns:

The total revenue of the Company for the financial year ended 31st March, 2017 is Rs 12409.50 lakhs as compared to the previous year's total revenue of Rs 22164.50 lakhs. During this financial year the Company has incurred a net loss of Rs 7538.42 lakhs as against the previous year's net loss of Rs 501.19 lakhs. The net loss incurred is due to lack of working capital which resulted in to poor operations in both plants. More over currently both plants are under shutdown mode.

Indian Government has introduced a new policy. The Goal policy is to ensure that a minimum level of biofuels become readily available in the market to meet the demand at any given time. An indicative target of 20% blending of biofuels, both for bio diesel and bio ethanol by 2017 is proposed.

Blending levels prescribed in regard to bio diesel are intended to be recommendatory in the near term. The blending level of bio ethanol has already been made mandatory, effective from October 2008, and will continue to be mandatory leading upto indicative target.

The Government has made mandatory 5% usage of bio diesel across all Zonal Railways in India which has led to bag us plenty of orders from Zonal railways for the supply of the bio diesel. In this case, the bio diesel production would have to increase by approximately 18.4 billion litres (4.9 billion gallons) to meet the expected blending targets until 2022.

Company plans to revive the present situation.

b) Internal Control Systems and their Adequacy:

The Company has adequate internal control systems and procedures in all operational areas and at all levels equipment's procurement, finance, administration, marketing and personnel departments. The Company also has Internal Audit systems commensurate with its size and nature of business. The internal audit function will be done by a firm of Chartered Accountants. The Audit committee reviews the internal audit reports and the adequacy of internal controls from time to time.

c) Financial and Operational Performance:

The Highlights of Financial Operational Performance are given below:

(Rs. In Lakhs)

Particulars	2016-17	2015-16
Total Income	12,409.50	22,164.50
Total Expenditure	19,898.28	22,906.40
Profit before Tax	-7,488.77	-741.90
Provision for Tax	49.65	-240.71
Profit after Tax	-7,538.42	-501.19
Transfer to General Reserve	0.00	0.00
Profit available for appropriation	0.00	0.00
Provision for Proposed Dividend	0.00	0.00
Provision for Corporate Tax	0.00	0.00
Balance Carried to Balance Sheet	-7,538.42	-501.19

The net loss incurred is due to lack of adequate working capital in required size, delay in process of sanctions and disbursements, unable to utilize available working capital due to low drawing power and above all, the major Visakhapatnam Bio diesel plant was damaged due to Hud-hud cyclone and was in non operation for 10 months in the FY 2016-17.

d) Human Resources Development and Industrial Relations:

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development.

Industrial relations during the year are cordial and the Company is committed to maintain the same in future.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Southern Online Bio Technologies Limited to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board; and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31st, 2017, the Board of Directors ("Board") comprises of eight Directors, of which three are Non-Executive Independent Directors and Four are Executive Directors and One Nominee Director. The composition and category of the Board of Directors is as follows:

S.No	Name of Director	Designation	Category
1	Mr. N Satish Kumar	Managing Director	Promoter
2	Mr. K Radha Krishna	Director & CFO	Promoter
3	Mr. B Sreedhara Reddy	Director Administration	Promoter
4	Mr. BHR Balaji	Executive Director	Promoter
5	Ms. T Rohini Reddy	Non-Executive Chairperson	Independent
6	Mr. Ashiwini Kumar Tripathi	Non-Executive Director	Independent
7	Mr. Bachala Ashok	Non-Executive Director	Independent
8	Mr. G Viswanath	Nominee Director	Nominee (Bank of India)

b) Attendance of each director at the Board meetings and at the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2017 has been set out here below:

S.No.	Name of Director	No.of Board Meetings		Attendance at last AGM on 30.09.2016
		Held	Attended	
1	Mr. N Satish Kumar	6	4	No
2	Mr. K Radha Krishna	6	6	Yes
3	Mr. B Sreedhara Reddy	6	4	Yes
4	Mr. BHR Balaji	6	1	No
5	Ms.T Rohini Reddy	6	6	Yes
6	Mr. Ashiwini Kumar Tripathi	6	1	No
7	Mr. Bachala Ashok	6	2	No
8	Mr. G Viswanath	6	1	No

c) Number of Other Directorships, Committee Membership(s) & Chairmanship(s):

S.No.	Name of Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Mr. N Satish Kumar	2	-	-
2	Mr. K Radha Krishna	2	-	-
3	Mr. B Sreedhara Reddy	2	-	-
4	Mr. BHR Balaji	1	-	-
5	Ms. T Rohini Reddy	-	-	-
6	Mr. Ashiwini Kumar Tripathi	6	-	-
7	Mr. Bachala Ashok	-	-	-
8	Mr. G Viswanath	-	-	-

- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.
- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015 and erstwhile Clause 49(II)(D)(2) of the Listing Agreement.

d) Number of Board Meetings held and the date on which held:

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Six Board Meetings were held during the financial year ended 31.03.2017.

The dates on which the Board meetings were held are:

30.05.2016	05.07.2016	13.08.2016	14.11.2016	14.02.2017	03.03.2017
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e) Disclosure of relationship between directors inter-se

None of the Directors are related to any other Director.

f) Shares held by Non-Executive Directors

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2017 are as follows:

S No	Name of the Director	No of Equity Shares
1	Ms. T Rohini Reddy	5000
2	Mr. Ashiwini Kumar Tripathi	20,600
3	Mr. Bachala Ashok	-

g) The details of familiarization programs imparted to independent directors is given below

Your Company follows a structured orientation and familiarization programme through various reports / codes / internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

BOARD COMMITTEES:

Details of the Board Committees and other related information are provided hereunder:

1. AUDIT COMMITTEE:

a) Brief description of terms of reference:

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing the annual financial statements and auditor's report before submission to the Board with particular reference to the
 - i. Director's Responsibility Statement;
 - ii. Major accounting entries;
 - iii. Significant adjustments in financial statements arising out of audit findings;
 - iv. Compliance with listing requirements etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

b) Composition, Name of members and Chairman:

As on March 31st, 2017, the Audit Committee comprises of three (3) Independent Directors. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

S No	Name of the Director	Designation
1	Ms. T Rohini Reddy	Chairperson
2	Mr. Ashiwini Kumar Tripathi	Member
3	Mr. Bachala Ashok	Member

- CFO, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- Minutes of meetings of the Audit Committee are placed before the Board and discussed in the meeting.

c) Meetings and attendance during the year:

- Four Audit Committee Meetings were held during the financial year ended March 31st, 2017. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.
- The Audit Committee meetings were held on

30.05.2016	13.08.2016	14.11.2016	14.02.2017
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- Attendance at the Audit Committee Meeting:

S No	Name of the Director	Number of Meetings	
		Held	Attended
1	Ms. T Rohini Reddy	4	4
2	Mr. Ashiwini Kumar Tripathi	4	-
3	Mr. Bachala Ashok	4	4

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairperson of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

2. NOMINATION & REMUNERATION COMMITTEE:

a) Brief description of terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Carry on the evaluation of every director's performance;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

b) Composition, Name of members and Chairman:

The Nomination and Remuneration Committee was constituted by the Board with 3 Independent Directors. The following is the composition of the Committee.

S No	Name of the Director	Designation
1	Ms. T Rohini Reddy	Chairman
2	Mr. Ashiwini Kumar Tripathi	Member
3	Mr. Bachala Ashok	Member

- The Company Secretary acts as the Secretary of the Committee.
- Minutes of meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

c) Nomination and Remuneration Committee meetings

During the period from April 1st, 2016 to March 31st, 2017, No Nomination and Remuneration Committee Meetings were held.

SNo	Name of the Director	Number of Meetings	
		Held	Attended
1	Mr Bachala Ashok	-	-
2	Mr Ashiwini Kumar Tripathi	-	-
3	Ms T Rohini Reddy	-	-

d) Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and

scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.

- The Non-executive directors are not paid sitting fees for attending meetings of Board/Committee.

e) Performance Evaluation of Directors.

Pursuant to applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the Independent Directors, Board of Directors, Committees of Board, Individual Directors including Managing Director and Non- Executive Directors and Chairperson of the Board. Criteria for Performance Evaluation of Independent Directors, Board of Directors, Committees of Board, Individual Directors, Managing Director, Non- Executive Directors and Chairperson of the Board.

The criteria covered various aspects for evaluation of Independent Directors such as Participation at the Board / Committee meetings, Commitment (including guidance provided to senior management outside of Board / Committee meetings), Effective deployment of knowledge and expertise, Integrity and maintaining of confidentiality, Independence of behaviour and judgment, exercise of objective independent judgment in the best interest of the Company, Ability to contribute to and monitor corporate governance practice and Adherence to the code of conduct for independent directors, for Evaluation of the Board, Implementation of robust policies and procedures and Size, structure and expertise of the Board were considered, for Evaluation of the Managing Director and Non-Executive Directors, Participation at the Board / Committee meetings, Effective deployment of knowledge and expertise; Discharge of its functions and duties as per its terms of reference, Process and procedures followed for discharging its functions, Effectiveness of suggestions and recommendations received were considered, for evaluation of Chairman of the Board aspects such as Managing relationship with the members of the Board and management, and effective decision making at the board were considered.

On the basis of performance evaluation done by all the Directors, it was determined whether to continue their term of appointment, whenever the respective term expires. The Directors expressed their satisfaction with the evaluation process.

3. INDEPENDENT DIRECTORS' MEETING:

During the year, meeting of Independent Directors was held on 30.03.2017 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Remuneration of Directors

a) Details of Remuneration of Non - Executive Directors:

- There were no pecuniary transactions with any non-executive director of the Company.
- Sitting Fee is not paid to Non-Executive Directors for attending the Board and Committee Meetings

b) Details of Remuneration of Executive Directors and Key Managerial Personnel

Name of the Director	Salary	Total
Mr. N Satish Kumar	19.20	19.20
Mr. K Radha Krishna	12.00	12.00
Mr. B Sreedhara Reddy	12.00	12.00
Mr. BHR Balaji	12.00	12.00
* Ms. G Anupama & D Manoranjani KMP	5.58	5.58
Total		61.32

* Ms G Anupama remuneration is for 3 months (April 2016 to June 2016) and Ms D Manoranjani remuneration is for 9 months(July 2016 to March 2017) as KMP

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Brief description of terms of reference:

The Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-Id for Investor Grievance: investors@sol.net.in

b) Composition:

SNo	Name of the Director	Designation
1	Ms. T Rohini Reddy	Chairperson
2	Mr. N Satish Kumar	Member
3	Mr. K Radha Krishna	Member

c) Name and Designation of Compliance Officer:

Ms. G Anupama & Ms. D Manoranjani Company Secretary were acting as Compliance Officer of the Company during their tenure.

d) Number of Shareholders complaints received so far.

During the year ended March 31st, 2017, the Company has not received any complaints.

e) Number of complaints not resolved to the satisfaction of shareholders is Nil.

f) There were no pending complaints as at the year end.

5. GENERAL BODY MEETINGS:

- i. Location and Time, where last three Annual General Meetings held:

Year	Locations	Date	Time
18 th AGM (2015-16)	Dwaraka Conference Hall, Bandlaguda Cross Roads, Rajendranagar Mandal, Hyderabad -500 030	30 th September, 2016	10.30 A.M
17 th AGM (2014-15)	Mrugavani Resorts, # 177/1, Aziz Nagar, Moinabad, Hyderabad- 500 075	30 th September, 2015	10.30 A.M
16 th AGM (2013-14)	Dwaraka Chambers, Bandlaguda, Cross Roads, Rajendra Nagar Mandal Hyderabad– 500 030	30 th September,2014	10.30 A.M

6. MEANS OF COMMUNICATION:

(a) Financial / Quarterly Results:

The quarterly results of the Company are published in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in widely circulated newspapers namely Business Standard (English daily) and Mana Telangana.

(b) Newspapers wherein results normally published

The results of the Company are published in widely circulated newspapers namely Business Standard (English daily) and Mana Telangana.

(c) Any website, where displayed

The results of the Company are published on the Company's website: www.sol.net.in

(d) Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company's website: www.sol.net.in

(e) Presentations made to institutional investors or to the analysts.

There are no presentations made to the investors / analysts.

The website www.sol.net.in contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

7. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	Date : 30 th December,2017
	Time : 10.00AM
	Venue: Dwaraka Conference Hall, Plot #73, Reliance Chambers, Bandlaguda, Cross Roads, Rajendranagar Mandal, Hyderabad-500030
Financial Calendar	1 st April to 31 st March.
Date of Book Closure	23.12.2017 to 30.12.2017 (both days inclusive)
Dividend Payment Date	Nil
Listing on Stock Exchanges	BSE Ltd
Scrip / Stock Code	532669 on BSE
ISIN Number for NSDL & CDSL	INE371B01015

The listing fees for the year 2017-18 has not paid to the above stock exchange.

MARKET PRICE DATA:

Month	BSE	
	High(Rs.)	Low(Rs.)
Apr-2016	5.14	4.43
May-2016	5.71	4.53
Jun-2016	8.13	6.34
Jul-2016	13.34	8.21
Aug-2016	11.34	8.60
Sep-2016	8.77	7.28
Oct-2016	10.22	7.90
Nov-2016	8.98	6.62
Dec-2016	8.27	7.01
Jan-2017	7.93	6.98
Feb-2017	7.20	5.47
Mar-2017	5.92	4.82

REGISTRAR & TRANSFER AGENTS

Aarathi Consultants Pvt Ltd
1-2-285, Domalguda, Hyderabad - 500 029
Tel No.040-27638111
E-mail: info@aarthiconsultants.com

M/s. Aarathi Consultants Private Limited

Share Transfer System

SEBI vide its Circular No. CIR/MIRSD/8/2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

Distribution of shareholding

Shareholding Pattern as on 31st March, 2017:

S No	Category	No.of. Shares	%Share Holding
1	Promoters	11565081	19.60
2	Corporate Bodies	4736360	8.03
3	NRIs	1597748	2.71
4	OCBs	10000	0.02
5	Individuals & Foreign Nationals	40739746	69.06
6	Clearing Members	344353	0.58
	Total	58993288	100.00

Distribution of shareholding as on: 31.03.2017.

Category	No.of Shareholders	No.of Shares	% of total shares
1- 5000	5956	1463482	2.48
5001 - 10000	1209	1085237	1.84
10001-20000	711	1171827	1.99
20001- 30000	320	842524	1.42
30001- 40000	148	541704	0.92
40001- 50000	181	871447	1.48
50001- 100000	280	2104449	3.57
100001&above	369	50912618	86.30
Total	9174	58993288	100.00

Dematerialization of Shares & Liquidity

The Company's shares are available for dematerialization with both the Depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

92.71% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March 2017 and balance 7.29% is in physical form. The Company's Registrars are M/s Aarathi Consultants Pvt. Ltd., having their registered office at 1-2-285, Domalguda, Hyderabad - 500 029.

Plant Locations:

Unit 1	Samsthan Narayanapur, Nalgonda Dist., Telangana
Unit 2	Plot.No. 45/A, APIIC-SEZ Atchutapuram (V&M) Visakhapatnam Dist-531011, AP.

Address for Correspondence

S.No	Shareholders Correspondence for	Address
1	Transfer/Dematerialization/Consolidation/Split of shares, Issue of Duplicate Share Certificates, Non- receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	M/s. Aarthy Consultants Pvt Ltd 1-2-285, Domalguda, Hyderabad -500029. Tel:(040)27642217/27638111 Fax: (040) 27632184 Email:info@aarthyconsultants.com
2	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	Southern Online Bio Technologies Limited Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500 004 Website: www.sol.net.in, E-mail: info@sol.net.in

8. OTHER DISCLOSURES
a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years ;

None.

c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, www.sol.net.in. During the financial year under review, none of the Complaint has received.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non- mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

e. Web link where policy for determining 'material' subsidiaries is disclosed;

The policy for determining 'material' subsidiaries is available on the website of the Company <http://www.sol.net.in>

f. Web link where policy on dealing with related party transactions;
The policy on dealing with related party transactions is available on the website of the Company:
<http://www.sol.net.in>

g. Disclosure of commodity price risks and commodity hedging activities:
Not applicable

9. The Company Complied with the requirements of the Schedule V Corporate Governance report sub- paras(2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non- mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

11. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of Subsidiary of Listed entity	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46(2)(b)to(i)	Website	Yes

12. Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

13. CEO and CFO Certification

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N Satish Kumar, Managing Director, Mr. K Radha Krishna, Chief Financial Officer (CFO) have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31st, 2017 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue

statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

14. Disclosure with respect to Demat suspense account/ unclaimed suspense account:

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are 8239 Equity Shares of Rs 10/- each in the Demat suspense account of the Company.

15. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31st, 2017, there were no proceeds from public issues, rights issues, preferential issues, etc.,

16. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **The said policy is available on the website of the Company <http://www.sol.net.in>**

17. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.sol.net.in>

18. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance in the Company, and to strictly monitor and prevent insider trading within the company, your company has in place a Code of Conduct which is approved by the Board.

The Managing Director is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

19. Risk Management Committee:

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness. The Risk Management Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 20.11.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31st, 2017.

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 20.11.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

CEO AND CFO CERTIFICATION

We hereby certify that:

- a) we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2017 and that these statements;
 - i. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of Business conduct and Ethics.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d) We have disclosed, wherever applicable to the Auditors and the Audit Committee:
 - i. That there were no deficiencies in the design or operations of Internal Controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;
 - ii. That there are no material weaknesses in the internal controls over financial reporting;
 - iii. That there are no significant changes in internal control over financial reporting during the year;
 - iv. All significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes of the financial statements; and
 - v. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 20.11.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Southern Online Bio Technologies Limited

We have examined the compliance of conditions of corporate governance by Southern Online Bio Technologies Limited ("the company") for the year ended 31st March 2017, as stipulated in Clause 49 of the Listing Agreement (upto 30th November, 2015) and schedule V of Listing Regulations (with effect from 1st December, 2015).

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Regulations.

We further 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 M/s. P Murali & Co.,
Chartered Accountants
(Firm Registration No- 007257S)

Place: Hyderabad
Date: 30.05.2017

Sd/-
A Krishna Rao
Partner
M.No.020085

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** ("the Holding Company"), and its subsidiaries, together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31st, 2017, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements')

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. The Board of Directors of the respective subsidiary Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which has been used for the purpose of preparation of the consolidated financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the rules made there under including the accounting standards and matters which are required to be included in audit report.

We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view. 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements:

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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, of the consolidated state of the Company, as at 31st March 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements.
 - b) 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.
 - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of written representations received from the directors of the Holding Company as on March 31st, 2017, and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group Companies incorporated in India is disqualified as on March 31st, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in SBNs during the period from 8th Nov 2016 to 30th Dec 2016 and these are in accordance with the books of accounts maintained by the company (refer note 44 in notes to accounts)

Other Matter Paragraph

We did not audit the financial statements of one of the subsidiary company namely, Marvel Bio fuel, FZE, situated at Sharjah (UAE), which is included in the consolidated financials, whose financial statements/financial information reflect total assets of Rs.11,66,863 /- as at 31st March 2017, total revenue of NIL for the year ended 31st March 2017. The above subsidiary company's financial statements and other financial information is unaudited and have been furnished to us by the Management, and our opinion on these consolidated financial statements and year to date results are solely based on the unaudited financial statements and other financial information.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

Sd/-
A. Krishna Rao
Partner
Membership No: 020085

Place: Hyderabad
Date: 30.05.2017

Annexure A to the Auditors' Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

In conjunction with our Audit of the consolidated financial statements of the company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED ('the Holding company') and its subsidiary company, which are incorporated in India.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, The Holding Company and its subsidiary, wherein, one which is incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute Of Chartered Accountants of India.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No: 007257S

Sd/-
A. Krishna Rao
Partner
M.No. 020085

Place: Hyderabad
Date: 30.05.2017

BLANK

CONSOLIDATED FINANCIAL SECTION

CONSOLIDATED BALANCE SHEET ASAT 31ST MARCH, 2017

Particulars	Note No	As at	As at
		31.03.2017 (Rupees)	31.03.2016 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	58,99,32,880	58,99,32,880
(b) Reserves and Surplus	2	(1,31,84,94,573)	(56,46,52,450)
(c) Minority Interest		1,030	1,030
(2) Share application money pending for allotment	3	30	30
(3) Non-Current Liabilities		-	
(a) Long-term borrowings	4	1,65,51,03,187	1,76,51,53,265
(b) Deferred tax liabilities (Net)		-	
(c) Other Long term liabilities	5	8,25,71,799	7,07,25,630
(d) Long term provisions		-	-
(4) Current Liabilities		-	
(a) Short-term borrowings	6	1,74,34,70,952	66,94,28,079
(b) Trade payables	7	8,53,97,588	67,30,08,734
(c) Other current liabilities		-	-
(c) Short-term provisions	8	1,86,51,053	2,07,00,874
Total		2,85,66,33,946	3,22,42,98,071
II.ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,29,19,99,367	1,37,50,85,834
(ii) Capital work-in-progress		60,01,108	56,66,165
(c) Deferred tax assets (net)	10	18,77,04,083	19,26,68,957
(d) Long term loans and advances	11	1,54,74,694	2,00,44,365
(e) Other non-current assets	12	50,01,142	7,84,23,673
(2) Current assets			
(a) Inventories	13	7,21,84,405	51,06,78,930
(b) Trade receivables	14	1,03,91,46,016	66,80,76,079
(c) Cash and cash equivalents	15	42,74,487	1,60,73,538
(d) Short-term loans and advances	16	23,48,48,645	35,75,80,529
Total		2,85,66,33,946	3,22,42,98,071
Summary of Significant Accounting Policies The accompanying Notes are an Integral Part of the Financial Statements	25		

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

Sd/-
A Krishna Rao
Partner
M No: 020085
Place: Hyderabad
Date: 30.05.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note No	For the year ended 31.03.2017	For the year ended 31.03.2016
		(Rupees)	(Rupees)
I. Revenue from operations	17	1,23,65,46,967	2,21,14,96,134
II. Other Income	18	44,03,407	49,54,353
III. Total Revenue (I +II)		1,24,09,50,374	2,21,64,50,487
<u>IV. Expenses:</u>			
Cost of materials consumed	19	39,84,50,170	65,33,02,666
Purchase of Stock-in-Trade	19	52,16,32,212	1,50,33,52,507
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	20	25,72,94,846	(14,26,69,858)
Employee benefit expense	21	2,39,51,813	2,22,08,273
Other operating expenses	22	30,81,77,978	13,83,83,905
Administrative Expenses	23	3,88,00,798	3,60,37,206
Financial costs	24	33,55,74,892	6,23,16,299
Depreciation and amortization expense	9	10,59,44,915	1,77,09,562
Total Expenses		1,98,98,27,624	2,29,06,40,560
V. Profit before exceptional and extraordinary items and tax (III - IV)		(74,88,77,250)	(7,41,90,074)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(74,88,77,250)	(7,41,90,074)
VIII. Extraordinary Items			
(1) Losses due to Cyclone Hud Hud		-	-
(2) Insurance claimed for Cyclone loss		-	-
IX. Profit before tax (VII - VIII)		(74,88,77,250)	(7,41,90,074)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		49,64,874	(2,40,70,969)
XI. Profit(Loss) from the period from continuing operations (IX - X)		(75,38,42,124)	(5,01,19,104)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(75,38,42,124)	(5,01,19,104)
XVI. Earning per equity share:			
(1) Basic		(12.78)	(0.85)
(2) Diluted		-	-
Summary of Significant Accounting Policies the accompanying Notes are an Integral Part of the Financial Statements	25		

AS PER OUR REPORT OF EVEN DATE

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

A Krishna Rao
Partner
M No.020085
Place: Hyderabad
Date: 30.05.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

(Rs. in Lakhs)

PARTICULARS	Year Ended 31.03.2017	Year Ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(7,488.77)	(741.90)
Adjustments for:		
Depreciation	1,059.45	177.10
Written off Expense	-	-
Interest	3,355.75	623.16
Operating Profit before working capital charges	(3,073.57)	58.36
Increase in Loans and Advances	2,007.24	912.75
Trade and other receivables	(3,710.70)	(2,312.69)
Inventories	4,384.95	(1,957.19)
Trade payables	(5,896.61)	387.99
Cash generated from operations	(6,288.70)	(2,910.78)
Interest paid	3,355.75	(623.16)
Cash flow before extraordinary items - (A)	(9,644.45)	(3,533.94)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	3.35	246.57
Interest and exp capitalization	-	(1,819.81)
Purchase of Fixed Assets	228.58	(957.20)
Net cash used in investing activities - (B)	231.93	(2,530.44)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Creditors for capital goods		
Increase / decrease in Secured Loans	9,639.93	5,687.06
Increase / decrease in Long Term liabilities	118.46	375.86
Net Cash used in Financing activities - (C)	9,758.39	6,062.92
Net increase in cash and cash equivalents - (A-B+C)	(117.99)	(1.46)
Cash and Cash equivalents as at (Opening Balance)	160.74	162.20
Cash and Cash equivalents as at (Closing Balance)	42.75	160.74

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

Sd/-
A Krishna Rao
Partner
M No.020085
Place: Hyderabad
Date: 30.05.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

NOTENO.1:SHARE CAPITAL

S. No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		No. of Shares	(Rupees)	No. of shares	(Rupees)
a	Share Capital (For each class of capital)				
	(a) Authorised	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(c) Subscribed & Fully Paid Up	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(d) Subscribed & not fully paid up				
	(e) Par value per share Rs. 10				
	Total Equity Share capital		58,99,32,880		58,99,32,880
b	Forfeited shares (amount originally paid up)		-		-
c	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:				
	Equity Shares of Rs.10Each, Fully paid up :		Number of Shares		Number of Shares
	At the Beginning				
	Issued during the year - Bonus Issue	5,89,93,288		5,89,93,288	
	Issued during the year - Cash Issue	-		-	
	Issued during the year - ESOP	-		-	
	Issued during the year - Pref Issue	-		-	
	Forfeited / Bought Back during the year	-		-	
	At the end	-		-	
		5,89,93,288		5,89,93,288	
d	Details of Shareholder holding more than 5% shares of the company:				
			% of Share Holding		
	Equity Shares of Rs. 10 each Held By				
	(a) Share Holder - N. Satish Kumar - No. of Shares (C.Y) 60,27,652, No. of Shares (P.Y) 60,27,652				
	(b) Share Holder - Al sried Company for Trade Limited - No. of Shares (C.Y) 34,06,769, No. of Shares		10.22		10.22
	(c) Share Holder - Advait BV - No. of Shares (C.Y) 31,14,935, No. of Shares (P.Y) 43,23,267.		5.77		5.77
			5.28		7.33

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	RESERVES AND SURPLUS		
	a) Securities Premium Reserve		
	As at the commencement of the year	25,31,87,500	25,31,87,500
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		25,31,87,500	25,31,87,500
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(85,45,00,726)	(80,43,81,622)
	Add: Transfer from Profit & Loss Account	(75,38,42,124)	(5,01,19,104)
	Less: Transfer To General Reserve	-	-
	Less: Adjustment to fixed assets pursuant to enactment of Schedule II of the companies Act 2013.	-	-
	Less: Bonus shares	-	-
	Less: Transfer to/from reserves.	-	-
		(1,60,83,42,850)	(85,45,00,726)
	c) Share warrants forfeited premium :		
	As at the commencement of the year	3,31,63,000	3,31,63,000
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		3,31,63,000	3,31,63,000
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	Total Reserves and Surplus	(1,31,84,94,573)	(56,46,52,449)

NOTE NO. 3: SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Share Application Money	30	30
	Add : Received	-	-
	TOTAL SHARE APPLICATION MONEY	30	30
	Less : Share application money equity shares allotted	-	-
	Total	30	30

NOTE NO. 4 : LONG TERM BORROWINGS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Long Term borrowings		
	a) Secured Term Loans from Banks:		
	From banks:		
	Secured		
	Bank of India, Banjara Hills, - Loan for Flats	9,66,706	25,82,833
	IIFL- TATA ACE Vehicle Loan.	1,41,824	3,72,480
	ICICI Bank - Vehicle Loan.	3,11,336	5,53,498
	TERM LOANS - (BOI,SBH,UCO & PNB)	1,60,81,68,211	1,71,61,29,344
	(* Hypothecation of Plant & Machinery and Immovable Properties, refer Note No.43 for securities provided)		
	b) Unsecured Loans from Directors / Others:		
	Unsecured Loan	4,55,15,110	4,55,15,110
	Total long term borrowings	1,65,51,03,187	1,76,51,53,265

NOTE NO. 5: OTHER LONG TERM LIABILITIES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Other long term liabilities		
	- Other Liabilities	5,81,50,000	5,80,00,000
	- Capex payable	2,44,21,799	1,27,25,630
	Total other long term liabilities	8,25,71,799	7,07,25,630

NOTE NO. 6 : SHORT TERM BORROWINGS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Short term borrowings		
	a) Loans repayable on demand - WC		
	Bank of India	65,75,18,669	14,16,26,583
	State Bank of Hyderabad	48,54,87,068	4,15,78,855
	UCO Bank	14,42,40,777	104
	Punjab National Bank	6,03,68,678	53,29,624
	(* Hypothecation of stocks and Book debts, refer Note No.43 for securities provided)		
	b) on a/c of Letter of Credit :		
	Bank of India	-	38,36,56,953
	State Bank of Hyderabad	-	9,72,35,960
	UCO Bank	-	-
	Punjab National Bank	-	-
	c) Interest Accruals	39,58,55,760	-
	Total short term borrowings	1,74,34,70,952	66,94,28,079

NOTE NO. 7 : TRADE PAYABLES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Trade Payables	8,53,97,588	67,30,08,734
	Total Trade Payables	8,53,97,588	67,30,08,734

NOTE NO. 8 : SHORT TERM PROVISIONS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Provisions for employee benefits		
	PF Payable	20,89,429	3,61,564
	ESI Payable		
	Salaries Payable	44,06,504	41,38,340
	b) Others		
	Statutory Liabilities	52,95,633	94,25,417
	Provision for Expenses	67,94,402	67,75,553
	Total short term provisions	1,85,85,968	2,07,00,874

NOTE NO: 09: FIXED ASSETS AS ON 31st March 2016

S L N o	Particulars	Gross Block						Rate of Depreciation	Depreciation/Amortization						Net Block as on 31.03.2017	Net Block as on 31.03.2016
		As on 01.04.2016	Additions during the year	Through Restoration	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2017		Dep. As on 01.04.2016	Retained Earnings	Dep. For the year 2016-2017	Impairment Loss / Reversal of Impairment Loss for the Year	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation		
1	LAND	546,49,032	-	-	-	-	546,49,032	0.00%	-	-	-	-	-	-	546,49,032	546,49,032
2	BUILDING @60 Years	58,47,273	-	-	-	-	58,47,273	1.58%	8,97,776	-	92,387	-	-	-	48,57,110	49,49,497
3	BUILDING @30 Years	15,17,03,255	3,18,900	-	-	-	15,20,22,155	3.17%	2,25,43,424	-	48,16,516	-	-	-	12,46,62,215	12,91,59,831
4	PLANT & MACHINERY	1,46,62,37,583	1,79,56,235	-	-	-	1,48,41,93,798	6.33%	29,85,59,569	-	9,36,29,077	-	-	-	1,09,20,05,153	1,16,76,77,994
5	OFFICE EQUIPMENT	47,69,492	66,150	-	-	-	48,35,642	19.00%	31,14,225	-	8,29,322	-	-	-	8,92,095	16,55,267
6	COMPUTERS	8,89,33,880	30,15,488	-	-	-	9,19,49,368	31.67%	8,53,06,766	-	39,28,347	-	-	-	27,14,255	36,27,114
7	FURNITURE	77,23,797	12,350	-	-	-	77,36,147	9.50%	38,39,339	-	7,34,507	-	-	-	31,62,301	38,84,458
8	VEHICLES	1,52,52,457	14,89,326	-	-	-	1,67,41,783	11.88%	57,69,818	-	19,14,758	-	-	-	90,57,207	94,82,639
	Total	1,79,51,16,749	2,28,58,449	-	-	-	1,81,79,75,198		42,00,30,916	-	10,59,44,915	-	-	52,59,75,831	1,29,19,99,367	1,37,50,85,833
	Capital work-in-progress	56,66,165	3,34,943	-	-	-	60,01,108								60,01,108	56,66,166
	Total	1,80,07,82,914	2,31,93,392	-	-	-	1,82,39,76,306	-	42,00,30,916	-	10,59,44,915	-	-	52,59,75,831	1,29,80,00,475	1,38,07,51,999

NOTE NO. 10 : DEFERRED TAX ASSET / (LIABILITY)

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Opening Deferred tax Liability	19,26,68,957	16,85,97,988
	Add: Reversal of Deferred Tax asset/(Liability)		
	DTA During the year	(49,64,874)	2,40,70,969
	Gross Deferred tax Liability	18,77,04,083	19,26,68,957
	Opening Deferred tax Asset	-	-
	Provision for Gratuity and Compensated Absences and doubtful debts	-	-
	Gross Deferred tax Asset	-	-
	Deferred Tax Asset / (Liability)	18,77,04,083	19,26,68,957

NOTE NO. 11 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Long - term loans and advances:		
	a) Security Deposit		
	Secured	1,54,74,694	2,00,44,365
	Total Long Term Loans & Advances	1,54,74,694	2,00,44,365

NOTE NO.12 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
1	Long term Trade receivable (Including trade receivables on deferred credit basis) Unsecured considered good	50,01,142	7,84,23,673
	Total non - current assets	50,01,142	7,84,23,673

NOTE NO. 13 : INVENTORIES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Inventories :		
	a) Raw materials		
	Palm Stearin	8,15,163	12,64,171
	Mutton Tallow	-	-
	Rice Bran Oil	-	1,82,72,163
	Used Cooking Oil	11,92,209	62,36,812
	Seeds	1,57,363	1,57,363
	Fatty Acid Oil	-	8,99,808
	RBD Palm Oil	-	13,68,08,172
	Refined Palm Oil	-	1,48,10,025
	Chemicals & Consumables	1,01,82,736	1,31,31,749
	Sub Total	1,23,47,471	19,15,80,263
	b) Finished goods		
	Bio Diesel.	22,09,158	22,48,55,030
	Glycerine.	1,27,35,555	5,58,09,780
	Rice Bran Oil	-	1,67,82,975
	Sludge and Fatty Acid.	1,06,97,246	68,99,928
	Other Stock	2,14,10,908	-
	Sub Total	4,70,52,867	30,43,47,713
	c) Stores and spares	1,27,84,067	1,47,50,954
	Total Inventories	7,21,84,405	51,06,78,930

NOTE NO. 14 : TRADE RECEIVABLES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
1	Unsecured, Considered Good for more than Six Months	83,79,48,454	29,81,99,530
2	Other debts	20,11,97,561	36,98,76,549
	Total Trade Receivables(net)	1,03,91,46,016	66,80,76,079

NOTE NO. 15 : CASH AND BANK BALANCES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Cash and cash equivalents :		
	a) Balances with banks :		
	- On Current Accounts	38,13,101	1,48,00,010
	b) Cash on hand	4,61,386	12,73,528
	Total Cash and Cash Equivalents	42,74,487	1,60,73,538

NOTE NO. 16 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Short - Term Loans and Advances:		
	a) Security Deposit		
	LC Margin & Other Deposit	1,66,75,468	5,27,88,101
	INTER DIVISION	3	-
	b) Other loans And advances		
	Secured - Raw Material etc..	-	8,92,59,224
	Secured - Other Advances	3,25,50,281	2,99,10,311
	Insurance claim	18,56,22,893	18,56,22,893
	Total short term loans & advances	23,48,48,645	35,75,80,529

NOTE NO. 17 : REVENUE FROM OPERATIONS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
(i)	Revenue from operations		
	(a) Sale of Products	1,21,30,37,834	1,82,46,90,019
	(b) Sale of Products (Exports)	-	8,22,56,898
	(c) Sale of Products (Exports Out to Out India)	-	21,58,70,829
	(d) Sale of Services	5,43,89,894	6,01,05,871
	(e) Other Operating Revenues (IROAF Chennai)	14,00,000	3,57,40,000
	Less: Excise & Customs Duties	3,22,80,761	71,67,483
	Total Revenue from Operations	1,23,65,46,967	2,21,14,96,134

NOTE NO. 18 : OTHER INCOME

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
1	(a) Other non-operating income (net of expenses directly attributed to such income)	44,03,407	54,64,751
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	(5,10,398)
	Total Other Income	44,03,407	49,54,353

NOTE NO. 19 : COST OF MATERIALS CONSUMED & PURCHASE OF STOCK IN TRADE

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Material		
	Palm Stearin	12,66,36,203	15,38,17,011
	Mutton Tallow	0	1,68,94,090
	Rice Bran Oil	5,98,79,413	21,96,57,586
	Used Cooking Oil	4,42,68,769	5,15,59,461
	Fatty Acid Oil	66,83,996	46,24,540
	RBD Palm Oil	13,68,08,172	3,55,48,945
	Refined Palm Oil	1,92,64,395	10,80,30,892
	Cost of Material Consumed	39,35,40,947	59,01,32,525
	b) Purchases - Stock in Trade	52,16,32,212	1,50,33,52,507
	Sub Total	52,16,32,212	1,50,33,52,507
	c) Chemicals & Consumables	0	3,81,41,613
	Sub Total	0	3,81,41,613
	IROAF Contract Expenses	49,09,223	2,50,28,528
	Sub Total	49,09,223	2,50,28,528
	Total Cost Of Material Consumed	92,00,82,382	2,15,66,55,172

NOTE NO. 20 : CHANGE IN INVENTORIES & WIP.

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Finished Goods		
	Finished goods at the beginning of the year	30,43,47,713	16,16,77,855
	Less : Finished goods at the end of the year	4,70,52,867	30,43,47,713
	Sub Total (A)	25,72,94,846	(14,26,69,858)
II	Stock-in-Trade		
	Finished goods at the beginning of the year	-	-
	Less : Finished goods at the end of the year	-	-
	Sub Total (A)	-	-
	(Increase) / Decrease in Inventories (A+B)	25,72,94,846	(14,26,69,858)

NOTE NO. 21 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Salaries & Wages	1,44,89,178	1,55,28,032
	(b) Contribution to Provident & Other Funds	46,45,501	30,58,118
	(c) Staff Welfare Expenses	48,17,134	36,22,123
	Total Employee Benefit Expenses	2,39,51,813	2,22,08,273

NOTE NO. 22 : OTHER OPERATING EXPENSES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Consumption of Stores & Spares	3,07,32,776	33,51,553
	(b) Power & Fuel	4,30,31,824	3,88,81,851
	(c) Rent	-	-
	(d) Repairs to Machinery	87,56,154	16,67,036
	(e) Insurance	34,57,559	5,43,727
	(f) Rates & Taxes (Excluding Income Tax)	3,56,66,524	89,79,380
	(g) Bandwidth	3,66,90,108	3,81,48,091
	(h) Other Mfg Expenses	74,99,315	80,15,997
	(i) Factory Wages	2,79,54,255	1,24,73,663
	(j) Shipping Charges	89,86,128	1,93,90,513
	(k) Freight charges (Inward)	1,57,58,588	-
	(l) Freight Charges - Outward & Insurance	8,96,44,745	69,32,094
	Total Other Expenses	30,81,77,978	13,83,83,905

NOTE NO. 23 : ADMINSTRATIVE EXPENSES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Telephone, Postage and Others	12,14,544	17,57,966
	(b) Business Promotion Expenses	5,28,343	-
	(c) Travelling & Conveyance	1,01,00,849	1,27,77,628
	(d) Repairs and Maintenance	48,69,085	30,28,646
	(e) Printing & Stationery Expenses	4,21,956	5,46,796
	(f) Security Charges	8,68,473	8,76,191
	(g) Rent ,Rates & Taxes (excluding Income Tax)	20,29,575	30,74,958
	(h) Managerial Remuneration	55,20,000	55,20,000
	(i) Consultancy Charges	52,32,722	18,13,654
	(j) Gen Expenses	20,77,617	7,58,172
	(k) Director Sitting Fee / Board Meeting Expenses	10,96,351	14,16,283
	(l) Payment to Auditors:		
	(i) As Auditor	75,000	75,000
	(ii) For Taxation Matters	50,000	50,000
	(iii) For Company Law Matters	25,000	25,000
	(m) Advertisements	46,404	29,688
	(n) Collection Expenses	-	1,91,841
	(o) Commission & Discounts	2,61,247	30,04,788
	(p) Business Promotion Expenses	39,54,304	10,90,595
	(q) Other expenses	-	-
	Total Administrative Expenses	3,83,71,470	3,60,37,206

NOTE NO. 24 : FINANCE COST

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Interest Expenses :		
	- Interest on Cash Credit	14,55,72,686	79,69,216
	- Interest on Car Loan / Term Loan	16,55,52,485	-
	- LC & BG Opening Charges, Bank Charges & others	1,98,24,411	5,43,47,083
	(b) Applicable net gain/loss on foreign currency translations & transactions	46,25,311	-
	Total Finance Cost	33,55,74,892	6,23,16,299

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

The financial statements of subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e year ended 31st March 2017

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of Companies Act, 1956 [Companies(Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current and noncurrent as per the companies' normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current – non current classification of assets and liabilities.

2. Principles Of Consolidation:

The financial statement of parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and the unrealised profits.

The financial statements of the parent company and its subsidiaries have been consolidated using uniform accounting policies. The financial statements are prepared in accordance with the principles and procedures of required for preparation and presentation of Consolidated Financial Statements as laid down under the Accounting standard – 21 'Consolidated Financial Statements'.

The company has two subsidiaries:-

- a) Southern Biofe Biofuels Private Limited, India
- b) Marvel Bio Oil, FZE, Sharjah

Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

3. Cash and Cash Equivalents

Cash comprises Cash on hand and Demand Deposits with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

4. Tangible and Intangible Assets

i) Tangible Fixed Assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and impairment, if any. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Direct costs are capitalized until fixed assets are ready for use.

ii) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

Product development Expenditure is written off over a period of 10 years. Products which are considered as redundant due to Technological advancement would be written off immediately.

iii) Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

5. Depreciation and Amortization:

- I. Effective 1st April, 2014, Company depreciates the Fixed Assets over the useful life in the manner prescribed in Schedule II of The Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of The Companies Act 1956.
- II. Depreciation for additions to Fixed Assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro-rata basis.

6. Revenue Recognition:

- i. Income from Software development is accounted for on the basis of Software developed and billed to clients on acceptance and/or on the basis of man days/man hours as per the terms of contract.
- ii. Revenue from professional services consists primarily of revenue earned from services performed on a time and material basis. The related revenue is recognized as and when the services are performed.
- iii. Revenue from Software development services includes revenue from time and material and fixed price contracts recognized as related services are performed.
- iv. Revenue on Fixed price contracts is recognized in accordance with percentage of completion and method of account.
- v. Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

7. Foreign Exchange Transactions:

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of transactions.

- a) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- b) Non-monetary foreign currency items are carried at cost.
- c) In respect of foreign operations, which are non-integral operations, all assets and liabilities, other monetary and non-monetary, are translated at closing rate, which all income and expenses are translated at average rate for the year. The resulting exchange differences are included in the Profit and Loss Account.

8. Investments

Investments are classified into current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

Cost of overseas investment comprises the Indian Rupee value of the consideration paid for the investment translated at the exchange rate prevalent at the date of investment.

9. Related Party Disclosures :

The Company furnishes the details of Related Party Disclosures as given in Para 23 and 26 as required by AS-18.

10. Earnings per Share

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

11. Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Not to recognize Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realize such assets.

12. Provisions, Contingent Liabilities and Contingent Assets

The company creates the provisions where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made for the amount of the obligation. A disclosure for contingent liability will be made when there is a possible obligation or present obligation that may, but probably, will not required the outflow of resources. Where, there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures will be made.

26 Share Capital

The paid up Equity Share Capital of the company as on 31st March, 2017 is 5,89,93,288 Equity Shares of Rs. 10/- each fully paid up.

During the year:

During the year 2016-17 the Company has not allotted Equity shares.

27. Secured Loans

The Company's ISP Division has Over Draft facility to the tune of Rs. 35.00 Lacs with Bank of India, which is secured against book debts of the ISP Division, the same has been closed during the Financial Year.

The Company's Bio Diesel Divisions has working Capital facility to the tune of Rs. 5517 Lacs which is secured against stocks and book debts.

28. Investments

No other investments were made by the company.

29. Segment Reporting

The activities of the Company can be broadly classified into two segments, viz., Internet Service Provider (ISP), Manufacturing of Bio Diesel, Stock in Trade of Used Cooking Oil and Other Contracts.

The ISP division provides Internet Bandwidth to the Corporate Clients, Educational Institutions, Cyber Cafes, & Individual etc.,

The Bio Diesel division manufactures the Bio Diesel.

Income and direct expenses relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of cost is apportioned on appropriate basis. Certain expenses which are not specifically allocable to individual segments as the relevant services are used interchangeably. The company therefore believes that it is not practical to provide segment disclosures relating to such expenses. Accordingly, they are separately disclosed as unallowable and directly charged against total income.

In other segment shown in the table given below includes:-

- a) The income and expenditure relating to 30 TPD capacity bio diesel unit at Tondiarpet, Chennai.
- b) The income and expenditure relating to Cross country trading of Used Cooking Oil.
- c) The income and expenditure relating to local Stock in Trade of Rice Bran Oil & RBD Palm Oil.

The assets of the company are used interchangeably between segments, and the management believes that it is not practical to provide segment disclosure relating to total assets and liabilities.

Business Segments:

(Rs. In Lakhs)

Statement of Profit and loss for the year ended 31.03.2017.	ISP		BIO DIESEL		OTHERS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	543.9	601.06	9639.07	6033.23	2182.5	15480.67	12365.47	22114.96
Identifiable Operating Expenses	393.59	420.11	10935.2	5747.39	3526.74	15283.81	14855.55	21451.31
Allocated Expenses	154.82	139.99	1446.49	550.65	85.66	141.3	1686.98	831.94
Segmental Operating Income	-4.52	40.96	-2742.6	-264.81	-1429.9	55.56	-4177.06	-168.29
Unallocated Expenses	0	0	0	0	0	0	0	0
Profit for the year before Interest	-4.52	40.96	-2742.6	-264.81	-1429.9	55.56	-4177.06	-168.29
Interest Expenses	2.97	6.64	3341.97	274.35	10.8	342.17	3355.75	623.16
Other income	14.68	0	29.36	53.46	0	-3.92	44.03	49.54
Net profit before taxes and prior period items	7.19	34.32	-6055.3	-485.7	-1440.7	-290.53	-7488.77	-741.91
Provision for taxation / Deferred Tax Expenses	0	0	49.65	-240.71	0	0	49.65	-240.71
Prior Period Items	0	0	0	0	0	0	0	0
Net profit after taxes and before exceptional items	7.19	34.32	-6104.9	-244.99	-1440.7	-290.53	-7538.42	-501.19
Exceptional items	0	0	0	0	0	0	0	0
Profit after tax and exceptional items	7.19	34.32	-6104.9	-244.99	-1440.7	-290.53	-7538.42	-501.19

Geographical segments

(Rs. In Lacs)

Revenues	As at 31.3.20	As at 31.3.2016
India	12295.84	19,133.68
Outside India	69.63	2,981.28
Total	12365.47	22,114.96

30. Deferred Tax Asset / Liability

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax asset and liability is recognized for future consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the Financial Statements. Deferred Tax asset and liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the balance sheet date.

During the current year, the company recognized the deferred tax liability for an amount of Rs.49.65 lakhs and differential depreciation of the current financial year 2016-17. Such DTL is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such DTA can be realized.

The certainty for earning future taxable income is evidence with that the company is going to utilize the full capacity of plant for generation of Bio Diesel situated at Vizag.

Particulars.	(Rupees)	
	As at 31.3.2017	As at 31.3.2016
Deferred Tax Liability/Asset		
a) Opening Balance of Deferred Tax Asset as on 01.04.2015.	19,26,68,957	16,85,97,988
Less: Deferred Tax liability (for the year 2016-17)	(49,64,874)	2,40,70,969
Total	18,77,04,083	19,26,68,957

31. Foreign Exchange Earnings

Particulars.	(Rupees)	
	As at 31.03.2017	As at 31.3.2016
Export of Goods	69,63,304	29,81,27,727

32. Foreign Exchange Outflow

Particulars.	(Rupees)	
	As at 31.03.2017	As at 31.3.2016
For Purchases	6,63,90,894	33,37,67,239

33. Director's Remuneration

The Managerial remuneration paid or provided in accordance with Schedule v of the Companies Act, 2013 to the Directors is as follows:

Particulars.	(Rupees.)	
	As at 31.03.2017	As at 31.3.2016
Salary & Allowances (Whole Time Director)	55,20,000	55,20,000

The above figures excluding gratuity and leave encashment payable which cannot be separately identified from the composite amount advised by the Actuary.

34. Remuneration to Auditors

(Rupees.)

Particulars.	As at 31.03.2017	As at 31.3.2016
Audit Fees	1,50,000/-	1,50,000/-

35. Details of Quantitative Information

The activity of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Bio diesel, Used Cooking Oil Trading & Contract and Bio Diesel plant Construction for IROAF at Tondiarpet, Chennai. The ISP services and IROAF Construction are not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details required. In respect of Bio Diesel Division and UCO Merchant trading the quantitative information is as follows:

Sl. No.	Quantitative Information	2016-17		2015-16	
		Qty(Kg's/Ltr's)	Value (Rs)	Qty (Kg's/Ltr's)	Value (Rs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	280 TPD		280 TPD	
C	Finished Goods				
	Bio Diesel in KG's				
	Opening Stock	41,55,525	22,48,55,030	15,30,552	10,08,73,679
	Production during the Year	46,15,191	23,55,98,348	93,44,933	50,45,24,904
	Purchased during the Year	5,50,400	2,56,31,311	-	-
	Stock Transfer	-	-	-	-
	Closing Stock	45,235	22,09,158	41,55,525	22,48,55,030
	Glycerin				
	Opening Stock	11,44,478	5,58,09,780	10,59,857	5,29,92,850
	Production during the Year	4,40,209	1,17,60,397	7,42,166	2,35,80,820
	Stock Transfer In & (Out)	-	-	-	-
	Sales during the year	7,35,650	1,37,32,732	6,39,950	1,05,99,818
	Consumed	-	-	17,595	6,11,275
	Hud-Hud Loss	-	-	-	-
	Closing Stock of Glycerin	8,49,037	1,27,35,555	11,44,478	5,58,09,780
	Rice Bran Oil Processed				
	Opening Stock	3,05,145	1,67,82,975	1,02,051	57,14,856
	Production during the Year	7,050	3,80,418	44,54,439	24,05,48,050
	Stock Transfer In & (Out)			-	-
	Sales during the year	3,12,195	1,56,09,750	42,51,345	22,72,69,894
	Hud-Hud Loss	-	-	-	-
	Sludge & Fatty	-	-	-	-
	Closing Stock	0	0	3,05,145	1,67,82,975
	Sludge & Fatty Acid Oil				
	Opening Stock	1,86,036	42,14,301	93,134	20,96,469
	Production during the Year	5,59,684	81,42,110	3,25,234	62,43,332

	Stock Transfer In & (Out)			-	-
	Sales during the year	5,43,767	27,15,186	2,32,332	24,94,562
	Closing Stock	2,01,953	29,18,437	1,86,036	42,14,301
	Processed UCO				
	Opening Stock	22,929	11,80,527	-	-
	Production during the Year	15,21,451	6,97,23,800	12,66,154	6,51,89,468
	Sales during the year	13,73,150	5,69,10,102	11,23,568	4,22,46,066
	Consumed			1,19,657	63,50,197
	Closing Stock	1,71,230	78,61,373	22,929	11,80,527
	Esterified Oil				
	Opening Stock	30,102	15,05,100	-	-
	Production during the Year	22,666	6,40,315	30,102	15,05,100
	Sales during the year	52768	2145547	-	-
	Closing Stock	0	0	30,102	15,05,100
D	RAW MATERIAL CONSUMED				
	Seeds				
	Opening Stock	14,791	1,57,363	14,791	1,57,363
	Purchased during the Year	-	-	-	-
	Consumed during the year	-	-	-	-
	Closing Stock	14,791	1,57,363	14,791	1,57,363
	Tallow				
	Opening Stock	-	-	1,03,856	39,57,395
	Purchased during the Year	-	-	3,74,660	1,29,36,695
	Consumed during the year	-	-	4,78,516	1,68,94,090
	Closing Stock of Tallow	0	0	0	0
	Palm Stearin				
	Opening Stock	5,23,113	1,60,74,196	2,35,001	98,70,042
	Purchased during the Year	13,69,780	6,10,62,575	80,74,350	24,76,78,455
	Consumed during the year	18,74,496	6,74,12,939	77,86,238	24,59,55,443
	Closing Stock of Palm Stearin	18,397	8,15,163	5,23,113	1,60,74,196
	Fatty Acid Oil				
	Opening Stock	18,392	8,99,808	94,684	46,34,611
	Purchased during the Year	1,52,760	57,84,188	18,392	8,99,737
	Consumed during the year	1,71,152	97,21,598	94,684	46,24,540
	Hud-Hud Loss	-	-	-	-
	Closing Stock of Fatty Acid Oil	0	0	18,392	8,99,808
	Rice Bran Oil				
	Opening Stock	3,62,479	1,82,72,162	13,31,315	7,63,74,104
	Purchased during the Year	8,19,665	4,16,07,250	1,05,04,849	53,97,77,060
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	-	-	41,25,380	21,96,57,586

	Sale during the year	11,82,144	6,58,01,848	73,48,305	37,82,64,949
	Closing Stock of Rice Bran Oil	0	0	3,62,479	1,82,72,162
	RBD Palm Oil				
	Opening Stock	27,86,351	13,68,08,172	-	-
	Purchased during the Year	78,08,845	42,79,79,704	2,16,64,165	1,00,69,43,815
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	1,38,660	41,60,529	7,05,623	3,55,48,945
	Sale during the year	1,04,56,536	58,12,54,736	1,81,72,191	83,36,92,945
	Closing Stock of RBD Oil	0	0	27,86,351	13,68,08,172
	RB Crude Oil				
	Opening Stock	-	-	-	-
	Purchased during the Year	-	-	4,04,595	1,58,92,460
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	-	-	4,04,595	1,58,92,460
	Sale during the year	-	-	-	-
	Closing Stock of RB Crude Oil	0	0	0	0
	Used Cooking Oil				
	Opening Stock	2,34,651	62,36,812	5,79,943	2,50,93,810
	Purchased during the Year	11,96,741	3,92,24,166	71,33,788	23,74,80,243
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	13,95,813	4,48,24,762	14,10,570	5,15,59,461
	Sale during the year	-	-	60,68,510	21,58,70,830
	Hud-Hud Loss	-	-	-	-
	Closing Stock of UCO	35,579	11,92,209	2,34,651	62,36,812
	Crude degummed Soybean Oil				
	Opening Stock	-	-	-	-
	Purchased during the Year	-	-	17,50,000	8,48,70,000
	Consumed during the year	-	-	-	-
	Sale during the year	-	-	17,50,000	8,56,10,000
	Closing Stock of CDS Oil	-	-	0	0

36. Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st March 2017 such parties and transactions are identified as per Accounting Standard 18

a) The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
Marvel Bio Oil, FZE, Sharjah	100.00 % Subsidiary
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter, Director & CFO
Mr. B. Sreedhara Reddy	Promoter & Director Administration
Mr. B. Hare Ram Balaji	Promoter & Executive Director
Mr. B. Ashok	Director
Mrs. Ashiwini Kumar Tripathi	Director
Mrs. RohiniThondapu Reddy	Director
Mrs. G. Anupama	Company Secretary (01-04-2016 to 30-06-2016)
Mrs. Manoranjani	Company Secretary (01-07-2016 to 31-03-2017)

b) The following are the related party transactions: **(Rupees)**

Name of the Party	Relationship	Nature of Transaction	Amount	Amount
			31.03.17	31.03.16
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	19,20,000	19,20,000
		Vehicle lease	10,20,000	10,20,000
Mr. K. Radha Krishna	Promoter, Director & CFO	Remuneration	12,00,000	12,00,000
		Vehicle lease	10,20,000	10,20,000
Mr. B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	12,00,000	12,00,000
		Vehicle lease	10,08,000	10,08,000
Mr. B.H.R. Balaji	Promoter & Executive Director	Remuneration	12,00,000	12,00,000
Mrs. G. Anupama	Company Secretary	Remuneration	1,53,000	-
Mrs. Manoranjani	Company Secretary	Remuneration	4,05,000	-
Marvel Bio Oil, FZE, Sharjah	Subsidiary company	Investment	-	4,31,550
Marvel Bio Oil, FZE, Sharjah	Subsidiary company	Maintenance	-	7,35,313

37. Prior Period Items: Nil

38. Earning Per Share

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

Particulars	(Rupees)	
	As on 31.03.2017	As on 31.03.2016
Profit available for the equity share holders (Rs)	(75,38,42,124)	(5,01,19,104)
No. of shares outstanding for EPS-Basis	5.89.93,288	5.89.93,288
No. of shares outstanding of EPS-Diluted	5.89.93,288	5.89.93,288
Basic	(12.78)	(0.85)
Diluted	(12.78)	(0.85)

39. Confirmations are not obtained from debtors / creditors as to the balances receivable / payable to them as at year ended 31st March, 2017.

40. Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs.8,05,89,274/- as on 31.03.2017 (previous year ended 31.3.2016 is Rs.10,27,20,065/-) to bank, in respect of the guarantees given by the bank in favor of The President of India, Government of India, acting through the Telegraph Authority, NSIC, Shital Enterprises, APSRTC, TSPCB and Ministry of Railways., Indian Railways Organization for Alternative Fuels (IROAF).

41. Letter of Credits

The Company has outstanding Letter of Credit which devolved during the financial year 2016-17 and the said devolved amounts are considered as Current Liability.

42. During the financial year 2016–17, The Loan accounts held by the company are considered as Non-Performing assets by the lender banks, Further an amount of Rs.39.59 Crores is due to banks on account of Interest on Term Loans and working capital which is accounted on the basis of accrual method of accounting considering prudence concept.

43. Details of Security:

S.No	Security	Particulars	Charge Owner
1	Principal	<p><u>Working Capital Limits</u> First paripassu charge on current assets by way of hypothecation of stocks and book debts other than current assets of ISP Division which are exclusively charged to BOI. (as per estimates).</p> <p>Second paripassu charge on entire fixed assets of the company both present and future except assets exclusively charged to lenders</p>	<p>Bank of India</p> <p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>
2		<p><u>Term Loans/WCTLs/FITLs</u> First paripassu charge on the net block by way of equitable mortgage of land and building (on 33 years lease from APIIC Ltd, Government of Andhra Pradesh) at Vizag and hypothecation of plant and machinery, excluding flats and vehicles exclusively financed by Bank of India at Vizag and Equitable Mortgage of Land and Building, Hypothecation of Plant & Machinery pertaining to existing plant at Nalgonda</p> <p>Second paripassu charge on entire current assets of the company both present and future</p> <p><u>Home Loans</u> Equitable Mortgage of 2 Flats Nos. A 5 and B 5, 5th floor, Samrat Complex, Saifabad, Hyderabad owned by the company now proposed to be transferred to SOSL</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p> <p>Bank of India</p>
3		<p><u>Mortgage Loan</u> Equitable Mortgage of Flat No. A-3, Municipal No.5-9-12/A/3/1 admeasuring 1961.27 sq.ft. along with undivided share of land 30.30 sq. yards on 3rd floor in Municipal No. 5-9-12 and 5-9-12/1 in Samrat Complex situate at Saifabad, Hyderabad, owned by the company and proposed to be transferred to SOSL</p> <p><u>Autofin Loans</u> Hypothecation of vehicles – 2 Mahindra Cars.</p>	<p>Bank of India</p> <p>Bank of India</p>
1.	Collateral	Extension of equitable mortgage of three flats originally mortgaged as principal security in two Home Loan Accounts and Mortgage Loan Account as detailed above with exclusively charged to BOI.	Bank of India
2.		EQM of open land admeasuring 4477 SqYds (non-agricultural) in S.No. 213/B (aa) & 213/D (ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr N Satish Kumar, Doc No 4756/2008	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank

3.		EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(aa) & 213/D(ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr B Sreedhar Reddy, Doc No 4755/2008	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
4.		EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(a) & 213/D(e) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr K Radha Krishna, Doc No 4751/2008	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
5.		EQM of open land admeasuring 3388 Sq Yards (non-agricultural) in S.No. 213/B(aa) & 213/D(ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr Kodali Tejesh Kumar. Doc No 4753/2008	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
6.		EQM of residential building situated at HNO: 4-22-29/2, S.NO: 191/G, 193/C Chaitnyapuri, Main Road, Guntur City, Guntur district owned by Mr Kadiyala Venkateswara Rao, Land : 241.54 Sq Yards G Floor : 1441 SFT, Doc no3797/2008	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
7.		EQM of open land admeasuring 266 sq yards (non-agricultural) in S.No. 250/C/2, Plot No. 1032, Ghanapavaram Village, Patancheru Mandal, Medak District owned by Mr Kadiyala Venkateswara Rao, Doc no. 1960/2007	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
8.		EQM of open land admeasuring 346 sq yards (non-agricultural) in Plot No. 1044, S.No. 187/2, Ghanapavaram village, Patancheru Mandal, Medak district owned by Mr Kadiyala Venkateswara Rao, Doc no. 3487/2007	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
9.		EQM of open land admeasuring 266 sq yards (non-agricultural) in Plot No. 1043, S.No. 187/2, Ghanapavaram village, Patancheru Mandal, Medak district owned by Mr Kadiyala Venkateswara Rao. Doc no.1961/2007	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
10		EQM of Office Premises No. B4, Municipal No. 5-9-12/B/4, 4 th Floor, Samrat Complex, Saifabad, Hyderabad owned by Mr Kadiyala Venakeswara Rao and Mr Kodali Tejesh Kumar, Doc No.4540/05	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
11		EQM of land in the name of Mr. N Satish Kumar at Chitukul, Patancheru, Medak district – 502307, S.No. 214/AA - Doc No 3213/2009, Extent : 2420 SqYd, S.No.214/AA, Doc No.3212/2009	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
12		EQM of property belonging to the company at S.No. 396/8, Dupitur Village, Atchutapuram Ramballi Mandal (next to SEZ), Vishakhapatnam, Extent 34 cents (1645 sq. Yards) of Non Agricultural Land.Doc no:2213/2010	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
13		Pledge of promoters shares in demat form. (6049479 shares as on 31.03.2014 constituting 17.48% of the paid up capital @ Rs.4.28 per share : low market value at March, 2014)	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank

44 Disclosure on specified bank notes:

During the year, the company has specified bank notes (SBNs) or the other denomination notes as defined in the MCA notification, G.S.R 308(E), dated 30th March 2017. The details of SBNs held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs – Rs.	Other denomination Notes – Rs.	Total – Rs.
Closing cash in hand as on 8 th November 2016	2,55,000	5,95,780	8,50,780
Add: Permitted receipts	0	3,68,768	3,68,768
Less: Permitted payments	0	(2,57,034)	(2,57,034)
Less: Amount deposited in banks	(2,55,000)	0	(2,55,000)
Closing cash in hand as on 30 th December 2016	0	7,07,514	7,07,514

45 The company incurred losses during the year and also in previous years. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded. As a result there is negative net worth as on 31st March 2017.

46 The Visakhapatnam unit of the company was effected by the natural calamity i.e., **Cyclone Hudhud on 12th October 2014**. Due to the cyclone, the unit has incurred the loss of Rs. 1914.29 lakhs. The damages are covered with the insurance and the petition for the claim of such losses has been already filed to the insurance company. The claim of the company is under process and is pending for approval since past 2 financial years with the National Insurance Company Limited as on balance sheet date 31st March 2017.

47 Previous year figures have been regrouped wherever necessary.

48 The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Sd/-
A Krishna Rao
Partner
M No.020085
Place: Hyderabad
Date: 30.05.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

STANDALONE FINANCIAL SECTION

BLANK

INDEPENDENT AUDITOR'S REPORT
To the Members of Southern Online Bio Technologies Limited
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Southern Online Bio Technologies Limited** ("the Company"), which comprises the Balance Sheet as at March 31st, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view, 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 Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 of the state of affairs of the Company as at 31st March 2017, its Loss and its cash flows for the year ended on that date.

Emphasis of Matter Paragraph:

- The company incurred losses during the year and also in previous years. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded. As a result there is negative networth as on 31st March 2017.
- The accounts of the company have been prepared on the basis of going concern assumption. However, the eroded networth significantly affects the company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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;
 - c. the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e. On the basis of written representations received from the directors as on March 31st, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and
 - g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March 2017 on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There is no amount which is required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2017.
 - iv. The company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 45 to the financial statement.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No : 007257S

Sd/-
A Krishna Rao
Partner
Membership No. 020085
Place: Hyderabad
Date: 30.05.2017

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Southern Online Bio Technologies Limited on the standalone financial statements for the year ended 31st March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable interval by the management during the year. There was no discrepancy noticed on physical verification of inventory as compared to book records and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the Companies Act 2013 in respect of loan and investment made and guarantees and securities provided by it.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. We have broadly reviewed the books of accounts maintained by company in respect of products where, pursuant to rules made by central government of India, the maintenance of cost records has been specified under sub section (1) of 148 of the Act, and are of opinion that prima facie, the prescribed account and records made and maintained. We have not, however made a detailed examination of records with a view to determine whether they are accurate and complete.
- vii. According to the information and explanations given to us and based on the records of the company examined by us, the company has not paid undisputed statutory dues of Provident fund, Employees state insurance, income tax, Tax deducted at source, service tax, as applicable, with the appropriate authorities in India.
- viii. As per books and records of the company, information and explanation given to us, the company has defaulted in repayment of dues to banks and the dues are considered as Non- Performing Assets by the lender banks as stated in note no.43 to the financial statements.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). No term loans were raised by the Company during the year.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.

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- xiii. The company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of such related parties transactions have been disclosed in the financial statements as required under Accounting Standard – 18 and related parties disclosure specified under section 133 of the Act, read with relevant rules issued there under.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No 007257S

Sd/-
A Krishna Rao
Partner
Membership No. 020085

Place: Hyderabad
Date: 30.05.2017

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of **Southern Online Bio Technologies Limited** ('the company') as on 31st March 2017 in conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Murali & Co.,
Chartered Accountants
Firm Registration No 007257S

Sd/-
A Krishna Rao
Partner
Membership No. 020085

Place: Hyderabad
Date: 30.05.2017

STANDALONE BALANCE SHEET AS AT 31st March 2017

Particulars	Note No	As at	As at
		31.03.2017 (Rupees)	31.03.2016 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	58,99,32,880	58,99,32,880
(b) Reserves and Surplus	2	(1,31,84,94,573)	(56,46,52,449)
(c) Minority Interest		-	-
(2) Share application money pending for allotment		30	30
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	1,65,51,03,187	1,76,51,53,265
(b) Other Long term liabilities	5	8,25,71,799	7,07,25,630
(4) Current Liabilities			
(a) Short-term borrowings	6	1,74,34,70,952	66,94,28,079
(b) Trade payables	7	8,53,97,588	67,30,08,734
(c) Short-term provisions	8	1,85,36,084	2,05,87,467
Total		2,85,65,17,947	3,22,41,83,635
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	1,29,19,99,367	1,37,50,85,833
(ii) Capital work-in-progress		-	-
(b) Non-current investments	10	60,01,108	38,62,520
(c) Deferred tax assets (net)	11	18,77,04,083	19,26,68,957
(d) Long term loans and advances	12	1,54,74,694	2,00,44,365
(e) Other non-current assets	13	50,01,142	7,84,23,673
(2) Current assets			
(a) Inventories	14	7,21,84,405	51,06,78,930
(b) Trade receivables	15	1,03,91,46,016	66,80,76,079
(c) Cash and cash equivalents	16	41,58,488	1,55,90,659
(d) Short-term loans and advances	17	23,48,48,645	35,97,52,619
Total		2,85,65,17,947	3,22,41,83,635
Summary of Significant Accounting Policies the accompanying Notes are an Integral Part of the Financial Statements	26		

AS PER OUR REPORT OF EVEN DATE

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

Sd/-
A Krishna Rao
Partner
M No.020085
Place: Hyderabad
Date: 30.05.2017

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note No	For the year ended 31.03.2017	For the year ended 31.03.2016
		(Rupees)	(Rupees)
I. Revenue from operations	18	1,23,65,46,967	2,21,14,96,134
II. Other Income	19	44,03,407	49,54,353
III. Total Revenue (I +II)		1,24,09,50,374	2,21,64,50,487
IV. Expenses:			
Cost of materials consumed	20	39,84,50,170	65,33,02,666
Purchase of Stock-in-Trade	20	52,16,32,212	1,50,33,52,507
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	21	25,72,94,846	(14,26,69,858)
Employee benefit expense	22	2,39,51,813	2,22,08,273
Other operating expenses	23	30,81,77,978	13,83,83,905
Administrative Expenses	24	3,88,00,798	3,60,37,206
Financial costs	25	33,55,74,892	6,23,16,299
Depreciation and amortization expense	9	10,59,44,915	1,77,09,562
Total Expenses		1,98,98,27,624	2,29,06,40,560
V. Profit before exceptional and extraordinary items and tax (III - IV)		(74,88,77,250)	(7,41,90,074)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(74,88,77,250)	(7,41,90,074)
VIII. Extraordinary Items			
(1) Losses due to Cyclone Hud Hud		-	-
(2) Insurance claim for Cyclone loss		-	-
IX. Profit before tax (VII - VIII)		(74,88,77,250)	(7,41,90,074)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		49,64,874	(2,40,70,969)
XI. Profit(Loss) from the period from continuing operations (IX - X)		(75,38,42,124)	(5,01,19,104)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		(75,38,42,124)	(5,01,19,104)
XVI. Earning per equity share:			
(1) Basic		(12.78)	(0.85)
(2) Diluted		-	-

AS PER OUR REPORT OF EVEN DATE

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

Sd/-

A Krishna Rao

Partner

M No.020085

Place: Hyderabad

Date: 30.05.2017

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

Sd/-

N Satish Kumar

Managing Director

(DIN:00552358)

Sd/-

K Radha Krishna

Director & CFO

(DIN: 01585940)

SATANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

PARTICULARS	Year Ended 31.03.2017 (Rs. In Lakhs)	Year Ended 31.03.2016 (Rs. In Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(7,488.77)	(741.90)
Adjustments for:		
Depreciation	1,059.45	177.10
Written off Expense	-	-
Interest	3,355.75	623.16
Operating Profit before working capital charges	(3,073.57)	58.36
Increase in Loans and Advances	2,028.96	912.75
Trade and other receivables	(3,710.70)	(2,312.69)
Inventories	4,384.95	(1,957.19)
Trade payables	(5,896.63)	387.99
Cash generated from operations	(6,266.99)	(2,910.78)
Interest paid	3,355.75	623.16
Cash flow before extraordinary items - (A)	(9,622.74)	(3,533.94)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.		253.41
Interest and exp capitalization	-	(1,819.81)
Purchase of Fixed Assets	228.58	(957.20)
Investments made in subsidiaries	21.39	(4.32)
Net cash used in investing activities - (B)	249.97	(2,527.92)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Creditors for capital goods		
Increase / decrease in Secured Loans	9,639.93	5,679.71
Increase / decrease in Long Term liabilities	118.46	375.86
Net Cash used in Financing activities - (C)	9,758.39	6,055.57
Net increase in cash and cash equivalents - (A-B+C)	(114.32)	(6.29)
Cash and Cash equivalents as at (Opening Balance)	155.91	162.20
Cash and Cash equivalents as at (Closing Balance)	41.58	155.90

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

Sd/-
A Krishna Rao
Partner
M No.020085
Place: Hyderabad
Date: 30.05.2017

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

NOTENO.1:SHARECAPITAL

S. No.	Particulars	As at 31.03.2017		As at 31.03.2016	
		No. of Shares	(Rupees)	No. of shares	(Rupees)
a	Share Capital (For each class of capital)				
	(a) Authorised	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(c) Subscribed & Fully Paid Up	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(d) Subscribed & not fully paid up				
	(e) Par value per share Rs. 10				
	Total Equity Share capital		58,99,32,880		58,99,32,880
b	Forfeited shares (amount originally paid up)		-		-
c	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares	
	Equity Shares of Rs.10Each, Fully paid up :				
	At the Beginning	5,89,93,288		5,89,93,288	
	Issued during the year - Bonus Issue	-		-	
	Issued during the year - Cash Issue	-		-	
	Issued during the year - ESOP	-		-	
	Issued during the year - Pref Issue	-		-	
	Forfeited / Bought Back during the year	-		-	
	At the end	5,89,93,288		5,89,93,288	
d	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding			
	Equity Shares of Rs. 10 each Held By				
	(a) Share Holder - N. Satish Kumar - No. of Shares (C.Y) 60,27,652, No. of Shares (P.Y) 60,27,652		10.22		10.22
	(b) Share Holder - Al sried Company for Trade Limited - No. of Shares (C.Y) 34,06,769, No. of Shares		5.77		5.77
	(c) Share Holder - Advait BV - No. of Shares (C.Y) 31,14,935, No. of Shares (P.Y) 43,23,267.		5.28		7.33

NOTE NO.2 : RESERVES AND SURPLUS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	RESERVES AND SURPLUS		
	a) Securities Premium Reserve		
	As at the commencement of the year	25,31,87,500	25,31,87,500
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		25,31,87,500	25,31,87,500
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(85,45,00,726)	(80,43,81,622)
	Add: Transfer from Profit & Loss Account	(75,38,42,124)	(5,01,19,104)
	Less: Transfer To General Reserve	-	-
	Less: Adjustment to fixed assets pursuant to enactment of Schedule II of the companies Act 2013.	-	-
	Less: Bonus shares	-	-
	Less: Transfer to/from reserves.	-	-
		(1,60,83,42,850)	(85,45,00,726)
	c) Share warrants forfeited premium :		
	As at the commencement of the year	3,31,63,000	3,31,63,000
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		3,31,63,000	3,31,63,000
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	Total Reserves and Surplus	(1,31,84,94,573)	(56,46,52,449)

NOTE NO. 3: SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Share Application Money	30	30
	Add : Received	-	-
	TOTAL SHARE APPLICATION MONEY	30	30
	Less : Share application money equity shares allotted	-	-
	Total	30	30

NOTE NO. 4 : LONG TERM BORROWINGS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Long Term borrowings		
	a) Secured Term Loans from Banks:		
	From banks:		
	Secured		
	Bank of India, Banjara Hills, - Loan for Flats	9,66,706	25,82,833
	IIFL- TATA ACE Vehicle Loan.	1,41,824	3,72,480
	ICICI Bank - Vehicle Loan.	3,11,336	5,53,498
	TERM LOANS - (BOI,SBH,UCO & PNB)	1,60,81,68,211	1,71,61,29,344
	(* Hypothecation of Plant & Machinery and Immovable Properties, refer Note No.44 for securities provided)		
	b) Unsecured Loans from Directors / Others:		
	Unsecured Loan	4,55,15,110	4,55,15,110
	Total long term borrowings	1,65,51,03,187	1,76,51,53,265

NOTE NO. 5: OTHER LONG TERM LIABILITIES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Other long term liabilities		
	- Other Liabilities	5,81,50,000	5,80,00,000
	- Capex payable	2,44,21,799	1,27,25,630
	Total other long term liabilities	8,25,71,799	7,07,25,630

NOTE NO. 6 : SHORT TERM BORROWINGS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Short term borrowings		
	a) Loans repayable on demand - WC		
	Bank of India	65,75,18,669	14,16,26,583
	State Bank of Hyderabad	48,54,87,068	4,15,78,855
	UCO Bank	14,42,40,777	104
	Punjab National Bank	6,03,68,678	53,29,624
	(* Hypothecation of stocks and Book debts, refer Note No.44 for securities provided)		
	b) on a/c of Letter of Credit :		
	Bank of India	-	38,36,56,953
	State Bank of Hyderabad	-	9,72,35,960
	UCO Bank	-	-
	Punjab National Bank	-	-
	c) Interest Accruals	39,58,55,760	-
	Total short term borrowings	1,74,34,70,952	66,94,28,079

NOTE NO. 7 : TRADE PAYABLES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Trade Payables	8,53,97,588	67,30,08,734
	Total Trade Payables	8,53,97,588	67,30,08,734

NOTE NO. 8 : SHORT TERM PROVISIONS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Provisions for employee benefits		
	PF Payable	20,89,429	3,61,564
	ESI Payable	65,085	
	Salaries Payable	44,06,504	41,38,340
	b) Others		
	Statutory Liabilities	52,95,633	94,25,417
	Provision for Expenses	66,79,433	66,62,146
	Total short term provisions	1,85,36,084	2,05,87,467

NOTE NO: 09: FIXED ASSETS AS ON 31st March 2016

Sl. No	Particulars	Gross Block					Rate of Depreciation	Depreciation/Amortization					Net Block as on 31.03.2017	Net Block as on 31.03.2016	
		As on 01.04.2016	Additions during the year	Less: Depreciation during the year	Capitalized during the year	Sale / Deletions during the year		As on 31.03.2017	Retained Earnings	Dep. For the year 2016-2017	Impairment Reversal of Impairment Loss for the Year	Impairment Reversal of Impairment Loss for the Year			Total Depreciation
1	LAND	5,46,49,032	-	-	-	-	5,46,49,032	-	-	-	-	-	-	5,46,49,032	5,46,49,032
2	BUILDING @60 Years	58,47,273	-	-	-	-	58,47,273	8,97,776	92,387	-	-	-	-	48,57,110	49,49,487
3	BUILDING @30 Years	15,17,03,255	3,18,900	-	-	-	15,20,22,155	2,25,43,424	48,16,516	-	-	-	-	12,46,62,215	12,91,59,831
4	PLANT & MACHINERY	1,46,62,37,563	1,79,56,235	-	-	-	1,48,41,93,798	29,85,59,569	9,36,29,077	-	-	-	-	1,09,20,05,153	1,16,76,77,994
5	OFFICE EQUIPMENT	47,69,492	66,150	-	-	-	48,35,642	31,14,225	8,29,322	-	-	-	-	8,92,085	16,55,267
6	COMPUTERS	8,89,33,880	30,15,488	-	-	-	9,19,49,368	8,53,06,766	39,28,347	-	-	-	-	27,14,255	36,27,114
7	FURNITURE	77,23,797	12,350	-	-	-	77,36,147	36,39,339	7,34,507	-	-	-	-	31,62,301	38,84,458
8	VEHICLES	1,52,52,457	14,89,326	-	-	-	1,67,41,783	57,69,818	19,14,758	-	-	-	-	90,57,207	94,82,639
	Total	1,79,51,16,749	2,28,58,449	-	-	-	1,81,79,75,198	42,00,30,916	10,59,44,915	-	-	-	52,59,75,831	1,29,19,99,367	1,37,50,85,833

NOTE NO. 10 : NON- CURRENT INVESTMENTS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	48,34,245	34,30,970
	b) Marvel Bio Oil, FZE, Sharjah	11,66,863	4,31,550
	Total Non - Current Investments	60,01,108	38,62,520

NOTE NO. 11 : DEFERRED TAX ASSET / (LIABILITY)

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Opening Deferred tax Liability	19,26,68,957	16,85,97,988
	Add: Reversal of Deferred Tax asset/(Liability)		
	DTA During the year	(49,64,874)	2,40,70,969
	Gross Deferred tax Liability	18,77,04,083	19,26,68,957
	Opening Deferred tax Asset	-	-
	Provision for Gratuity and Compensated Absences and doubtful debts	-	-
	Gross Deferred tax Asset	-	-
	Deferred Tax Asset / (Liability)	18,77,04,083	19,26,68,957

NOTE NO. 12 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Long - term loans and advances:		
	a) Security Deposit		
	Secured	1,54,74,694	2,00,44,365
	Total Long Term Loans & Advances	1,54,74,694	2,00,44,365

NOTE NO.13 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
1	Long term Trade receivable (Including trade receivables on deferred credit basis) Unsecured considered good	50,01,142	7,84,23,673
	Total non - current assets	50,01,142	7,84,23,673

NOTE NO. 14 : INVENTORIES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Inventories :		
	a) Raw materials		
	Palm Stearin	8,15,163	12,64,171
	Mutton Tallow	-	-
	Rice Bran Oil	-	1,82,72,163
	Used Cooking Oil	11,92,209	62,36,812
	Seeds	1,57,363	1,57,363
	Fatty Acid Oil	-	8,99,808
	RBD Palm Oil	-	13,68,08,172
	Refined Palm Oil	-	1,48,10,025
	Chemicals & Consumables	1,01,82,736	1,31,31,749
	Sub Total	1,23,47,471	19,15,80,263
	b) Finished goods		
	Bio Diesel.	22,09,158	22,48,55,030
	Glycerine.	1,27,35,555	5,58,09,780
	Rice Bran Oil	-	1,67,82,975
	Sludge and Fatty Acid.	1,06,97,246	68,99,928
	Other Stock	2,14,10,908	-
	Sub Total	4,70,52,867	30,43,47,713
	c) Stores and spares	1,27,84,067	1,47,50,954
	Total Inventories	7,21,84,405	51,06,78,930

NOTE NO. 15 : TRADE RECEIVABLES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
1	Unsecured, Considered Good for more than Six Months)	83,79,48,454	29,81,99,530
2	Other debts	20,11,97,561	36,98,76,549
	Total Trade Receivables(net)	1,03,91,46,016	66,80,76,079

NOTE NO. 16 : CASH AND BANK BALANCES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Cash and cash equivalents :		
	a) Balances with banks :		
	- On Current Accounts	36,97,102	1,43,17,130
	b) Cash on hand	4,61,386	12,73,529
	Total Cash and Cash Equivalents	41,58,488	1,55,90,659

NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Short - Term Loans and Advances:		
	a) Security Deposit		
	LC Margin & Other Deposit	1,66,75,468	5,27,88,101
	INTER DIVISION	3	-
	b) Other loans And advances		
	Secured - Raw Material etc..	-	8,92,59,224
	Secured - Other Advances	3,25,50,281	3,20,82,400
	Insurance claim	18,56,22,893	18,56,22,893
	Total short term loans & advances	23,48,48,645	35,97,52,619

NOTE NO. 18 : REVENUE FROM OPERATIONS

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
(i)	Revenue from operations		
	(a) Sale of Products	1,21,30,37,834	1,82,46,90,019
	(b) Sale of Products (Exports)	-	8,22,56,898
	(c) Sale of Products (Exports Out to Out India)	-	21,58,70,829
	(d) Sale of Services	5,43,89,894	6,01,05,871
	(e) Other Operating Revenues (IROAF Chennai)	14,00,000	3,57,40,000
	Less: Excise & Customs Duties	3,22,80,761	71,67,483
	Total Revenue from Operations	1,23,65,46,967	2,21,14,96,134

NOTE NO. 19 : OTHER INCOME

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
1	(a) Other non-operating income (net of expenses directly attributed to such income)	44,03,407	54,64,751
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	(5,10,398)
	Total Other Income	44,03,407	49,54,353

NOTE NO. 20 : COST OF MATERIALS CONSUMED & PURCHASE OF STOCK IN TRADE

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	a) Material		
	Palm Stearin	12,66,36,203	15,38,17,011
	Mutton Tallow	0	1,68,94,090
	Rice Bran Oil	5,98,79,413	21,96,57,586
	Used Cooking Oil	4,42,68,769	5,15,59,461
	Fatty Acid Oil	66,83,996	46,24,540
	RBD Palm Oil	13,68,08,172	3,55,48,945
	Refined Palm Oil	1,92,64,395	10,80,30,892
	Cost of Material Consumed	39,35,40,947	59,01,32,525
	b) Purchases - Stock in Trade	52,16,32,212	1,50,33,52,507
	Sub Total	52,16,32,212	1,50,33,52,507
	c) Chemicals & Consumables	0	3,81,41,613
	Sub Total	0	3,81,41,613
	IROAF Contract Expenses	49,09,223	2,50,28,528
	Sub Total	49,09,223	2,50,28,528
	Total Cost Of Material Consumed	92,00,82,382	2,15,66,55,172

NOTE NO. 21 : CHANGE IN INVENTORIES & WIP.

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	Finished Goods		
	Finished goods at the beginning of the year	30,43,47,713	16,16,77,855
	Less : Finished goods at the end of the year	4,70,52,867	30,43,47,713
	Sub Total (A)	25,72,94,846	(14,26,69,858)
	Work in Progress		
	Work in progress at the beginning of the year	-	-
	Less: Work in progress at the ending of the year	-	-
	Less : Loss due to Cyclone Hud Hud	-	-
	Sub Total (B)	-	-
II	Stock-in-Trade		
	Finished goods at the beginning of the year	-	-
	Less : Finished goods at the end of the year	-	-
	Sub Total (A)	-	-
	(Increase) / Decrease in Inventories (A+B)	25,72,94,846	(14,26,69,858)

NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Salaries & Wages	1,44,89,178	1,55,28,032
	(b) Contribution to Provident & Other Funds	46,45,501	30,58,118
	(c) Staff Welfare Expenses	48,17,134	36,22,123
	Total Employee Benefit Expenses	2,39,51,813	2,22,08,273

NOTE NO. 23 : OTHER OPERATING EXPENSES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Consumption of Stores & Spares	3,07,32,776	33,51,553
	(b) Power & Fuel	4,30,31,824	3,88,81,851
	(c) Rent	-	-
	(d) Repairs to Machinery	87,56,154	16,67,036
	(e) Insurance	34,57,559	5,43,727
	(f) Rates & Taxes (Excluding Income Tax)	3,56,66,524	89,79,380
	(g) Bandwidth	3,66,90,108	3,81,48,091
	(h) Other Mfg Expenses	74,99,315	80,15,997
	(i) Factory Wages	2,79,54,255	1,24,73,663
	(j) Shipping Charges	89,86,128	1,93,90,513
	(k) Freight charges (Inward)	1,57,58,588	-
	(l) Freight Charges - Outward & Insurance	8,96,44,745	69,32,094
	Total Other Expenses	30,81,77,978	13,83,83,905

NOTE NO. 24 : ADMINSTRATIVE EXPENSES

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Telephone, Postage and Others	12,14,544	17,57,966
	(b) Business Promotion Expenses	5,28,343	-
	(c) Travelling & Conveyance	1,01,00,849	1,27,77,628
	(d) Repairs and Maintenance	48,69,085	30,28,646
	(e) Printing & Stationery Expenses	4,21,956	5,46,796
	(f) Security Charges	8,68,473	8,76,191
	(g) Rent ,Rates & Taxes (excluding Income Tax)	20,29,575	30,74,958
	(h) Managerial Remuneration	55,20,000	55,20,000
	(i) Consultancy Charges	52,32,722	18,13,654
	(j) Gen Expenses	20,77,617	7,58,172
	(k) Director Sitting Fee / Board Meeting Expenses	10,96,351	14,16,283
	(l) Payment to Auditors:		
	(i) As Auditor	75,000	75,000
	(ii) For Taxation Matters	50,000	50,000
	(iii) For Company Law Matters	25,000	25,000
	(m) Advertisements	46,404	29,688
	(n) Collection Expenses	-	1,91,841
	(o) Commission & Discounts	2,61,247	30,04,788
	(p) Business Promotion Expenses	39,54,304	10,90,595
	(q) Other expenses	4,29,328	-
	Total Administrative Expenses	3,88,00,798	3,60,37,206

NOTE NO. 25 : FINANCE COST

S. No.	Particulars	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)
I	(a) Interest Expenses :		
	- Interest on Cash Credit	14,55,72,686	79,69,216
	- Interest on Car Loan / Term Loan	16,55,52,485	-
	- LC & BG Opening Charges, Bank Charges & others	1,98,24,411	5,43,47,083
	(b) Applicable net gain / loss on foreign currency translations & transactions	46,25,311	-
	Total Finance Cost	33,55,74,892	6,23,16,299

Summary of Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2017.

CORPORATE INFORMATION:

Southern Online Bio Technologies Limited was originally incorporated as Southern Online Services Private Limited vide certificate of incorporation no.01-30463 dated November 9th, 1998 with Registrar of Companies, Hyderabad and subsequently converted into a Public Limited Company on January 4th, 2000. The name of the Company has been Changed to Southern Online Bio Technologies Limited on 31st March 2004 to reflect the new line of business in which the Company has ventured i.e. manufacture of Biodiesel. Currently the Company's shares are listed at BSE.

The Company is one of the first private sector ISPs to commence operations in the state of Andhra Pradesh. However, considering the opportunities in the field of manufacture and supply of alternative fuels to petroleum- based fuels, the promoters have decided to diversify into production and supply of biodiesel. The Company has established 40,000 liters per day capacity Biodiesel production unit from non-edible vegetables oils, fatty acids, animal fats, etc for partial substitution or using as a blend in fossil diesel. This project is located at Samsthan Narayanpur (v), Nalgonda Dist, Telangana. The Second Bio diesel unit with a capacity of 250 TPD is located at APIIC, SEZ, Visakhapatnam, Andhra Pradesh.

Summary of Significant Policies: General:

- i. The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles under the historical cost convention on accrual basis, exception for certain tangible assets which are being carried at revalued amounts. Pursuant to Section 133 of the Companies Act 2013 read with Rule7 of the Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material aspects with the accounts) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current and non current as per the Companies normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the company has ascertained its operating cycle to be 12 months for the purpose of current –non current classification of assets and liabilities.

- ii. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.
- iii. Use of Estimates
- iv. The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash Flow Statement

Cash Flows are reported using the indirect method, whereby Profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Tangible and Intangible Assets

Tangible fixed assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets,

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any. Profit or Loss on disposal of intangible assets is recognized in the Statement of Profit and Loss.

Capital Work-in-Progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation and Amortization

Effective 1st April, 2014, Company depreciates the Fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act, 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation for additions to fixed assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro rata basis.

Investments

Investments are classified into Current and long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition is classified as Current Investments. All other investments are classified as long-term investments.

Long term investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

Inventories

Raw materials, work-in-progress and finished goods are valued at the lower of the cost or net realizable value, Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their present location and condition.

Revenue Recognition

The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis. Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Sales are shown at net of sales tax / service tax. These taxes are recognized consistently as a liability. Interest income is recognized using the time proportion method, based on the transactional interest rates. Commission income is due on rendering of services.

Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the respective dates of the relevant transactions.

Exchange differences arising on foreign currency transactions are being recognized as income or expense in the year in which they arise. In the case of current assets the current liabilities expressed in foreign currency, the exchange rate prevalent at the end of the year is taken for the purposes of transaction.

Retirement Benefits

The Company has not taken actuarial valuation reports towards Gratuity & Leave encashment liability. In the books of accounts there was no provision made.

Segment reporting

The Company's operating businesses are organized and managed separately according to the nature of product and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical business is based on the areas in which major operating divisions of the Company operates. The disclosure of segment reporting has furnished as per Accounting Standard– 17.

Related Party Disclosures:

The Company furnishes the details of Related party Disclosures as required by AS-18.

Earnings per Share

The basic and Diluted Earnings per share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

Taxes on Income

Tax expense for the year comprises of current tax and deferred tax.

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period in which the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriations of their respective carrying values at each balance.

Provisions, Contingent Liabilities and Contingent Assets

The Company creates the provisions where there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made for the amount of the obligation. A disclosure for contingent liability will be made when there is a possible obligation or present obligation that may but probably, will not required the outflow of resources. Where, there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosures will be made.

26. Share Capital

The paid up Equity Share Capital of the company as on 31st March, 2017 is 5,89,93,288 Equity Shares of Rs. 10/- each fully paid up.

During the year:

During the year 2016-17 the Company has not allotted Equity shares.

27. Secured Loans

The Company's ISP Division has Over Draft facility to the tune of Rs. 35.00 Lacs with Bank of India, which is secured against book debts of the ISP Division, the same has been closed during the Financial Year.

The Company's Bio Diesel Divisions has working Capital facility to the tune of Rs. 5517 Lacs which is secured against stocks and book debts.

28. Investments

Particulars	As at 31.03.2017	As at 31.03.2016
	(Rupees)	(Rupees)
Non- Current Investments.		
1) Investment in Subsidiaries		
a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%		
Opening – As on March 31 st , 2016	34,30,970	
Additions during the year	14,03,275	
Closing as on 31 st March 2017	48,34,245	34,30,970
b) Marvel Bio Oil, FZE, Sharjah		
As on March 31 st , 2016	4,31,550	
Additions	7,35,313	
Closing as on 31 st March 2017	11,66,863	4,31,550
Total Non - Current Investments	60,01,108	38,62,520

No other investments were made by the company.

29. Segment Reporting

The activities of the Company can be broadly classified into two segments, viz., Internet Service Provider (ISP), Manufacturing of Bio Diesel, Stock in Trade of Used Cooking Oil and Other Contracts.

The ISP division provides Internet Bandwidth to the Corporate Clients, Educational Institutions, Cyber Cafes, & Individual etc.,

The Bio Diesel division manufactures the Bio Diesel.

Income and direct expenses relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of cost is apportioned on appropriate basis. Certain expenses which are not specifically allocable to individual segments as the relevant services are used interchangeably. The company therefore believes that it is not practical to provide segment disclosures relating to such expenses. Accordingly, they are separately disclosed as unallowable and directly charged against total income.

In other segment shown in the table given below includes:-

- The income and expenditure relating to 30 TPD capacity bio diesel unit at Tondiarpet, Chennai.
- The income and expenditure relating to Cross country trading of Used Cooking Oil.
- The income and expenditure relating to local Stock in Trade of Rice Bran Oil & RBD Palm Oil.

The assets of the company are used interchangeably between segments, and the management believes that it is not practical to provide segment disclosure relating to total assets and liabilities.

Business Segments:

(Rs. In Lakhs)

Statement of Profit and loss for the year ended 31.03.2017.	ISP		BIO DIESEL		OTHERS		TOTAL	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	543.90	601.06	9639.07	6033.23	2182.50	15480.67	12365.47	22114.96
Identifiable Operating Expenses	393.59	420.11	10935.22	5747.39	3526.74	15283.81	14855.55	21451.31
Allocated Expenses	154.82	139.99	1446.49	550.65	85.66	141.30	1686.98	831.94
Segmental Operating Income	-4.52	40.96	-2742.64	-264.81	-1429.90	55.56	-4177.06	-168.29
Unallocated Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year before Interest	-4.52	40.96	-2742.64	-264.81	-1429.90	55.56	-4177.06	-168.29
Interest Expenses	2.97	6.64	3341.97	274.35	10.80	342.17	3355.75	623.16
Other income	14.68	0.00	29.36	53.46	0.00	-3.92	44.03	49.54
Net profit before taxes and prior period items	7.19	34.32	-6055.26	-485.70	-1440.70	-290.53	-7488.77	-741.91
Provision for taxation / Deferred Tax Expenses	0.00	0.00	49.65	-240.71	0.00	0.00	49.65	-240.71
Prior Period Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit after taxes and before exceptional items	7.19	34.32	-6104.90	-244.99	-1440.70	-290.53	-7538.42	-501.19
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit after tax and exceptional items	7.19	34.32	-6104.90	-244.99	-1440.70	-290.53	-7538.42	-501.19

Geographical segments

(Rs. In Lakhs)

Revenues	As at 31.3.2017	As at 31.3.2016
India	12295.84	19,133.68
Outside India	69.63	2,981.28
Total	12365.47	22,114.96

30. Deferred Tax Asset / Liability

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax asset and liability is recognized for future consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the Financial Statements. Deferred Tax asset and liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the balance sheet date.

During the current year, the company recognized the deferred tax liability for an amount of Rs.49.65 lakhs and differential depreciation of the current financial year 2016-17. Such DTL is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such DTA can be realized.

The certainty for earning future taxable income is evidence with that the company is going to utilize the full capacity of plant for generation of Bio Diesel situated at Vizag.

(Rupees)

Particulars.	As at 31.3.2017	As at 31.3.2016
Deferred Tax Liability/Asset		
a) Opening Balance of Deferred Tax Asset as on 01.04.2015.	19,26,68,957	16,85,97,988
Less: Deferred Tax liability (for the year 2016-17)	(49,64,874)	2,40,70,969
Total	18,77,04,083	19,26,68,957

31. Foreign Exchange Earnings

(Rupees)

Particulars.	As at 31.03.2017	As at 31.3.2016
Export of Goods	69,63,304	29,81,27,727

32. Foreign Exchange Outflow

(Rupees)

Particulars.	As at 31.03.2017	As at 31.3.2016
For Purchases	6,63,90,894	33,37,67,239
For Investment in Subsidiary	-	4,31,550
For Subsidiary maintenance	-	7,35,313

33. Director's Remuneration

The Managerial remuneration paid or provided in accordance with Schedule v of the Companies Act, 2013 to the Directors is as follows:

(Rupees.)

Particulars.	As at 31.03.2017	As at 31.3.2016
Salary & Allowances (Whole Time Director)	55,20,000	55,20,000

The above figures excluding gratuity and leave encashment payable which cannot be separately identified from the composite amount advised by the Actuary.

34. Remuneration to Auditors

(Rupees.)

Particulars.	As at 31.03.2017	As at 31.3.2016
Audit Fees	1,50,000/-	1,50,000/-

35. Details of Quantitative Information

The activity of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Bio diesel, Used Cooking Oil Trading & Contract and Bio Diesel plant Construction for IROAF at Tondiarpet, Chennai. The ISP services and IROAF Construction are not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details required. In respect of Bio Diesel Division and UCO Merchant trading the quantitative information is as follows:

Sl. No.	Quantitative Information	2016-17		2015-16	
		Qty(Kg's/Ltr's)	Value (Rs)	Qty (Kg's/Ltr's)	Value (Rs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	280 TPD		280 TPD	
C	Finished Goods				
	Bio Diesel in KG's				
	Opening Stock	41,55,525	22,48,55,030	15,30,552	10,08,73,679
	Production during the Year	46,15,191	23,55,98,348	93,44,933	50,45,24,904
	Purchased during the Year	5,50,400	2,56,31,311	-	-
	Stock Transfer	-	-	-	-
	Closing Stock	45,235	22,09,158	41,55,525	22,48,55,030
	Glycerin				
	Opening Stock	11,44,478	5,58,09,780	10,59,857	5,29,92,850
	Production during the Year	4,40,209	1,17,60,397	7,42,166	2,35,80,820
	Stock Transfer In & (Out)	-	-	-	-
	Sales during the year	7,35,650	1,37,32,732	6,39,950	1,05,99,818
	Consumed	-	-	17,595	6,11,275
	Hud-Hud Loss	-	-	-	-
	Closing Stock of Glycerin	8,49,037	1,27,35,555	11,44,478	5,58,09,780
	Rice Bran Oil Processed				
	Opening Stock	3,05,145	1,67,82,975	1,02,051	57,14,856
	Production during the Year	7,050	3,80,418	44,54,439	24,05,48,050
	Stock Transfer In & (Out)			-	-
	Sales during the year	3,12,195	1,56,09,750	42,51,345	22,72,69,894
	Hud-Hud Loss	-	-	-	-
	Sludge & Fatty	-	-	-	-
	Closing Stock	0	0	3,05,145	1,67,82,975
	Sludge & Fatty Acid Oil				
	Opening Stock	1,86,036	42,14,301	93,134	20,96,469
	Production during the Year	5,59,684	81,42,110	3,25,234	62,43,332
	Stock Transfer In & (Out)			-	-

	Sales during the year	5,43,767	27,15,186	2,32,332	24,94,562
	Closing Stock	2,01,953	29,18,437	1,86,036	42,14,301
	Processed UCO				
	Opening Stock	22,929	11,80,527	-	-
	Production during the Year	15,21,451	6,97,23,800	12,66,154	6,51,89,468
	Sales during the year	13,73,150	5,69,10,102	11,23,568	4,22,46,066
	Consumed			1,19,657	63,50,197
	Closing Stock	1,71,230	78,61,373	22,929	11,80,527
	Esterified Oil				
	Opening Stock	30,102	15,05,100	-	-
	Production during the Year	22,666	6,40,315	30,102	15,05,100
	Sales during the year	52768	2145547	-	-
	Closing Stock	0	0	30,102	15,05,100
D	RAW MATERIAL CONSUMED				
	Seeds				
	Opening Stock	14,791	1,57,363	14,791	1,57,363
	Purchased during the Year	-	-	-	-
	Consumed during the year	-	-	-	-
	Closing Stock	14,791	1,57,363	14,791	1,57,363
	Tallow				
	Opening Stock	-	-	1,03,856	39,57,395
	Purchased during the Year	-	-	3,74,660	1,29,36,695
	Consumed during the year	-	-	4,78,516	1,68,94,090
	Closing Stock of Tallow	0	0	0	0
	Palm Stearin				
	Opening Stock	5,23,113	1,60,74,196	2,35,001	98,70,042
	Purchased during the Year	13,69,780	6,10,62,575	80,74,350	24,76,78,455
	Consumed during the year	18,74,496	6,74,12,939	77,86,238	24,59,55,443
	Closing Stock of Palm Stearin	18,397	8,15,163	5,23,113	1,60,74,196
	Fatty Acid Oil				
	Opening Stock	18,392	8,99,808	94,684	46,34,611
	Purchased during the Year	1,52,760	57,84,188	18,392	8,99,737
	Consumed during the year	1,71,152	97,21,598	94,684	46,24,540
	Hud-Hud Loss	-	-	-	-
	Closing Stock of Fatty Acid Oil	0	0	18,392	8,99,808
	Rice Bran Oil				
	Opening Stock	3,62,479	1,82,72,162	13,31,315	7,63,74,104
	Purchased during the Year	8,19,665	4,16,07,250	1,05,04,849	53,97,77,060
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	-	-	41,25,380	21,96,57,586

	Sale during the year	11,82,144	6,58,01,848	73,48,305	37,82,64,949
	Closing Stock of Rice Bran Oil	0	0	3,62,479	1,82,72,162
	RBD Palm Oil				
	Opening Stock	27,86,351	13,68,08,172	-	-
	Purchased during the Year	78,08,845	42,79,79,704	2,16,64,165	1,00,69,43,815
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	1,38,660	41,60,529	7,05,623	3,55,48,945
	Sale during the year	1,04,56,536	58,12,54,736	1,81,72,191	83,36,92,945
	Closing Stock of RBD Oil	0	0	27,86,351	13,68,08,172
	RB Crude Oil				
	Opening Stock	-	-	-	-
	Purchased during the Year	-	-	4,04,595	1,58,92,460
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	-	-	4,04,595	1,58,92,460
	Sale during the year	-	-	-	-
	Closing Stock of RB Crude Oil	0	0	0	0
	Used Cooking Oil				
	Opening Stock	2,34,651	62,36,812	5,79,943	2,50,93,810
	Purchased during the Year	11,96,741	3,92,24,166	71,33,788	23,74,80,243
	Stock Transfer In & (Out)	-	-	-	-
	Consumed during the year	13,95,813	4,48,24,762	14,10,570	5,15,59,461
	Sale during the year	-	-	60,68,510	21,58,70,830
	Hud-Hud Loss	-	-	-	-
	Closing Stock of UCO	35,579	11,92,209	2,34,651	62,36,812
	Crude degummed Soybean Oil				
	Opening Stock	-	-	-	-
	Purchased during the Year	-	-	17,50,000	8,48,70,000
	Consumed during the year	-	-	-	-
	Sale during the year	-	-	17,50,000	8,56,10,000
	Closing Stock of CDS Oil	-	-	0	0

36. Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st March 2017 such parties and transactions are identified as per Accounting Standard 18

b) The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
Marvel Bio Oil, FZE, Sharjah	100.00 % Subsidiary
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter, Director & CFO
Mr. B. Sreedhara Reddy	Promoter & Director Administration
Mr. B. Hare Ram Balaji	Promoter & Executive Director
Mr. B. Ashok	Director
Mrs. Ashiwini Kumar Tripathi	Director
Mrs. Rohini Thondapu Reddy	Director
Mrs. G. Anupama	Company Secretary (01-04-2016 to 30-06-2016)
Mrs. Manoranjani	Company Secretary (01-07-2016 to 31-03-2017)

b) The following are the related party transactions: **(Rupees)**

Name of the Party	Relationship	Nature of Transaction	Amount	Amount
			31.03.17	31.03.16
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	19,20,000	19,20,000
		Vehicle lease	10,20,000	10,20,000
Mr. K. Radha Krishna	Promoter, Director & CFO	Remuneration	12,00,000	12,00,000
		Vehicle lease	10,20,000	10,20,000
Mr. B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	12,00,000	12,00,000
		Vehicle lease	10,08,000	10,08,000
Mr. B.H.R. Balaji	Promoter & Executive Director	Remuneration	12,00,000	12,00,000
Mrs. G. Anupama	Company Secretary	Remuneration	1,53,000	-
Mrs. Manoranjani	Company Secretary	Remuneration	4,05,000	-
Marvel Bio Oil, FZE, Sharjah	Subsidiary company	Investment	-	4,31,550
Marvel Bio Oil, FZE, Sharjah	Subsidiary company	Maintenance	-	7,35,313

37. Prior Period Items: Nil

38. Earning Per Share

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

(Rupees)

Particulars	As on 31.03.2017	As on 31.03.2016
Profit available for the equity share holders (Rs)	(75,38,42,124)	(5,01,19,104)
No. of shares outstanding for EPS-Basis	5.89.93,288	5.89.93,288
No. of shares outstanding of EPS-Diluted	5.89.93,288	5.89.93,288
Basic	(12.78)	(0.85)
Diluted	(12.78)	(0.85)

39. Confirmations are not obtained from debtors/ creditors as to the balances receivable/ payable to them as at year ended 31st March, 2017.

40. Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs.8,05,89,274/- as on 31.03.2017 (previous year ended 31.3.2016 is Rs.10,27,20,065/-) to bank, in respect of the guarantees given by the bank in favor of The President of India, Government of India, acting through the Telegraph Authority, NSIC, Shital Enterprises, APSRTC, TSPCB and Ministry of Railways., Indian Railways Organization for Alternative Fuels(IROAF).

41. Letter of Credits

The Company has outstanding Letter of Credit which devolved during the financial year 2016-17 and the said devolved amounts are considered as Current Liability.

43 During the financial year 2016–17, The Loan accounts held by the company are considered as Non-Performing assets by the lender banks, Further an amount of Rs.39.59 Crores is due to banks on account of Interest on Term Loans and working capital which is accounted on the basis of accrual method of accounting considering prudence concept.

44 Details of Security:

S.No	Security	Particulars	Charge Owner
1	Principal	<p><u>Working Capital Limits</u> First paripassu charge on current assets by way of hypothecation of stocks and book debts other than current assets of ISP Division which are exclusively charged to BOI. (as per estimates).</p> <p>Second paripassu charge on entire fixed assets of the company both present and future except assets exclusively charged to lenders</p>	<p>Bank of India</p> <p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>
2		<p><u>Term Loans/WCTLs/FITLs</u> First paripassu charge on the net block by way of equitable mortgage of land and building (on 33 years lease from APIIC Ltd, Government of Andhra Pradesh) at Vizag and hypothecation of plant and machinery, excluding flats and vehicles exclusively financed by Bank of India at Vizag and Equitable Mortgage of Land and Building, Hypothecation of Plant & Machinery pertaining to existing plant at Nalgonda</p> <p>Second paripassu charge on entire current assets of the company both present and future</p> <p><u>Home Loans</u> Equitable Mortgage of 2 Flats Nos. A 5 and B 5, 5th floor, Samrat Complex, Saifabad, Hyderabad owned by the company now proposed to be transferred to SOSL</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p> <p>Bank of India</p>

3		<p><u>Mortgage Loan</u> Equitable Mortgage of Flat No. A-3, Municipal No.5-9-12/A/3/1 admeasuring 1961.27 sq.ft. along with undivided share of land 30.30 sq. yards on 3rd floor in Municipal No. 5-9-12 and 5-9-12/1 in Samrat Complex situate at Saifabad, Hyderabad, owned by the company and proposed to be transferred to SOSL</p> <p><u>Autofin Loans</u> Hypothecation of vehicles – 2 Mahindra Cars.</p>	<p>Bank of India</p> <p>Bank of India</p>
1.	Collateral	<p>Extension of equitable mortgage of three flats originally mortgaged as principal security in two Home Loan Accounts and Mortgage Loan Account as detailed above with exclusively charged to BOI.</p>	<p>Bank of India</p>
2.		<p>EQM of open land admeasuring 4477 SqYds (non-agricultural) in S.No. 213/B (aa) & 213/D (ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr N Satish Kumar, Doc No 4756/2008</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>
3.		<p>EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(aa) & 213/D(ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr B Sreedhar Reddy, Doc No 4755/2008</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>
4.		<p>EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(a) & 213/D(e) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr K Radha Krishna, Doc No 4751/2008</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>
5.		<p>EQM of open land admeasuring 3388 Sq Yards (non-agricultural) in S.No. 213/B(aa) & 213/D(ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr Kodali Tejesh Kumar. Doc No 4753/2008</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>
6.		<p>EQM of residential building situated at HNO: 4-22-29/2, S.NO: 191/G, 193/C Chaitnyapuri, Main Road, Guntur City, Guntur district owned by Mr Kadiyala Venkateswara Rao, Land : 241.54 Sq Yards G Floor : 1441 SFT, Doc no3797/2008</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>
7.		<p>EQM of open land admeasuring 266 sq yards (non-agricultural) in S.No. 250/C/2, Plot No. 1032, Ghanapavaram Village, Patancheru Mandal, Medak District owned by Mr Kadiyala Venkateswara Rao, Doc no. 1960/2007</p>	<p>Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank</p>

8.		EQM of open land admeasuring 346 sq yards (non-agricultural) in Plot No. 1044, S.No. 187/2, Ghanapavaram village, Patancheru Mandal, Medak district owned by Mr Kadiyala Venkateswara Rao, Doc no. 3487/2007	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
9.		EQM of open land admeasuring 266 sq yards (non-agricultural) in Plot No. 1043, S.No. 187/2, Ghanapavaram village, Patancheru Mandal, Medak district owned by Mr Kadiyala Venkateswara Rao. Doc no.1961/2007	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
10		EQM of Office Premises No. B4, Municipal No. 5-9-12/B/4, 4 th Floor, Samrat Complex, Saifabad, Hyderabad owned by Mr Kadiyala Venakeswara Rao and Mr Kodali Tejesh Kumar, Doc No.4540/05	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
11		EQM of land in the name of Mr. N Satish Kumar at Chitukul, Patancheru, Medak district – 502307, S.No. 214/AA - Doc No 3213/2009, Extent : 2420 SqYd, S.No.214/AA, Doc No.3212/2009	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
12		EQM of property belonging to the company at S.No. 396/8, Dupitur Village, Atchutapuram Ramballi Mandal (next to SEZ), Vishakhapatnam, Extent 34 cents (1645 sq. Yards) of Non Agricultural Land.Doc no:2213/2010	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank
13		Pledge of promoters shares in demat form. (6049479 shares as on 31.03.2014 constituting 17.48% of the paid up capital @ Rs.4.28 per share : low market value at March, 2014)	Bank of India State Bank of Hyderabad UCO Bank Punjab National Bank

45 Disclosure on specified bank notes:

During the year, the company has specified bank notes (SBNs) or the other denomination notes as defined in the MCA notification, G.S.R 308(E), dated 30th March 2017. The details of SBNs held and transacted during the period from 8th November 2016 to 30th December 2016, the denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs – Rs.	Other denomination Notes – Rs.	Total Rs.
Closing cash in hand as on 8 th November 2016	2,55,000	5,95,780	8,50,780
Add: Permitted receipts	0	3,68,768	3,68,768
Less: Permitted payments	0	2,57,034	2,57,034
Less: Amount deposited in banks	2,55,000	0	2,55,000
Closing cash in hand as on 30 th December 2016	0	7,07,514	7,07,514

- 46 The company incurred losses during the year and also in previous years. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded. As a result there is negative net worth as on 31st March 2017.
- 47 The Visakhapatnam unit of the company was effected by the natural calamity i.e., **Cyclone Hudhud on 12th October 2014**. Due to the cyclone, the unit has incurred the loss of Rs. 1914.29 lakhs. The damages are covered with the insurance and the petition for the claim of such losses has already been filed with the insurance company. The said claim of the company is pending for approval since past 2 years with the National Insurance Company Limited.
- 48 Previous year figures have been regrouped wherever necessary.
- 49 The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

For and on behalf of the Board of Directors
For Southern Online Bio Technologies Limited

For P Murali & Co.,
Chartered Accountants
Firm Regn No: 007257S

Sd/-
A Krishna Rao
Partner
M No.020085

Sd/-
N Satish Kumar
Managing Director
(DIN:00552358)

Sd/-
K Radha Krishna
Director & CFO
(DIN: 01585940)

Place: Hyderabad
Date: 30.05.2017

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad,
Hyderabad – 500004. Email: info@sol.net.in, website: www.sol.net.in

Form MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Regd Folio No :	*DPID :
No of Shares Held :	*Client ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1.Name & Address : _____

Email ID: _____ Signature
Or failing him / her

2.Name & Address : _____

Email ID: _____ Signature
Or failing him / her

3.Name & Address : _____

Email ID: _____ Signature
Or failing him / her

or failing him/her and whose signatures are appended below as my / our proxy to attend and vote, in case of a poll, for me / us and on my / our behalf at the Eighteenth Annual General Meeting of the Company, to be held on Saturday, the 30th day of December, 2017 at 10.00 A.M. at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 030 and at any adjournment thereof in respect of resolutions are indicated below:

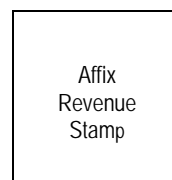
Sl.No	Resolution (s)	Vote	
		For	Against
1	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31 st March, 2017		
2	To appoint a Director in place of Mr K Radha Krishna who retires by rotation and being eligible offer himself for re-appointment.		
3	Appointment of M/s Chandra Babu Naidu & Co., Chartered Accountants as Statutory Auditors & fixing their remuneration.		
4	Appointment of M/s Lavanya & Associates, Cost Auditors for the year 2017-18.		

*Applicable for investors holding shares in Electronic form.

Signed this day of 2017

Signature of shareholder : _____

Signature of Proxy holder(s): _____



Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the company.

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SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad,
Hyderabad – 500004. Email: info@sol.net.in, website: www.sol.net.in

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending _____ Member's Folio No/ Client ID: _____

No. of shares held: _____

Name of Proxy _____ (To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 19th Annual General Meeting of the Southern Online Bio Technologies Ltd., at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 030 on Saturday, the 30th day of December, 2017 at 10.00 A.M.

..... Member's / Proxy's Signature

Note:

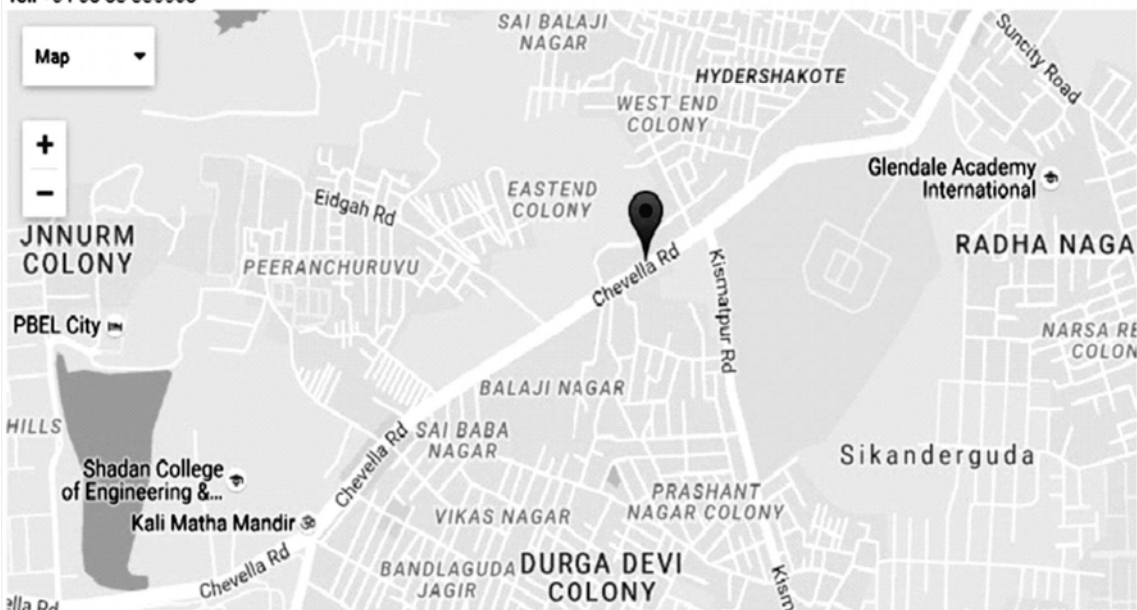
1. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2. The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3. A Proxy need not be a member of the Company.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

In terms of the Requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; route map for the location of the venue of the 19th Annual General Meeting is given below :

ROUTE MAP FOR AGM VENUE

DWARAKA RESTAURANT

Address: Near Hydershakote ,Bandlaguda 'X' Roads,Chilkur Balaji Temple Road, Reliance Chamber Building, Hyderabad, AP 500091, India
Tel: +91 98 85 556608



E-VOTING PAGE

Resolution No. As Per Notice	Particulars	No. of Shares Held	Assent	Dissent
1	Adoption of Audited Balance Sheet as at March 31 st , 2017, the statement of Profit & Loss and Cash Flow Statement along with report of Auditor's and Directors thereon.			
2	To appoint a Director in place of Mr K Radha Krishna who retires by rotation and being eligible offer himself for re-appointment.			
3	Appointment of M/s. Chandra Babu Naidu & Co., Chartered Accountants as Statutory Auditors & fixing their remuneration.			
4	Appointment of M/s. Lavanya & Associates, Cost Auditors for the year 2017-18.			

BLANK



IROAF (Indian Railways Organisation for Alternative fuels)
30 TPD Biodiesel Plant at Tondiarpet, Chennai Under implementation by SBT



IROAF (Indian Railways Organisation for Alternative fuels)
30 TPD Biodiesel Plant at Raipur, Chattisgarh Under implementation by SBT



If undelivered please return to:

SOUTHERN ONLINE BIO TECHNOLOGIES LTD

A3, 3rd Floor, Office Block Samrat Complex, Saifabad
Hyderabad-500 004, Telangana, India.

Phone : +91 40 2324 1999, +91 40 4434 1999

Fax : +91 40 2324 1444, E-Mail: info@sol.net.in