

QUARTERLY COMPLIANCE REPORT ON CORPORATE GOVERNANCE

Name of the Company : **SOUTHERN ONLINE BIO TECHNOLOGIES LTD**
Quarter ending on : **30TH JUNE, 2009**

We furnish hereunder the status of implementation of the code of Corporate Governance in the prescribed format as amended pursuant to Clause 49 of the Listing Agreement for the quarter ended 30.06.2009.

| Particulars | Clause of Listing Agreement | Compliance Status Yes / No / N.A. | Remarks |
|---|-----------------------------|--------------------------------------|--|
| I. Board of Directors | 49 I | Yes | Constituted as per the provisions of Clause 49 I read with the Companies Act, 1956. |
| (A) Composition of Board | 49 (IA) | Yes | Composition is as per the provisions of Clause 49(IA) read with the Companies Act, 1956 |
| (B) Non-executive Directors' compensation & disclosures | 49 (IB) | N.A | No fee/compensation paid to the Non-Executive Directors, including independent Directors except sitting fee. |
| (C) Other provisions as to Board of Committees | 49 (IC) | Yes | Board meetings, memberships or Chairman in committees and the information to be furnished before board meetings are as per the provisions of Clause 49(IC) read with the Companies Act, 1956 |
| (D) Code of Conduct | 49 (ID) | Yes | Code of Conduct has been laid down by the board as per the provisions of Clause 49(ID) read with the provisions of Companies Act, 1956. |
| II. Audit Committee | 49 (II) | Yes | Committee formed as per the provisions of Clause 49(II) read with the provisions of Companies Act, 1956 |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | Members of the audit committee are as per the provisions of Clause 49(IIA) read with the provisions of Companies Act, 1956 |
| (B) Meeting of Audit Committee | 49 (IIB) | Yes | Meetings of the audit committee are conducted as per the provisions of Clause 49(IIB) read with the provisions of the Companies Act, 1956 |
| (C) Powers of Audit Committee | 49(IIC) | Yes | The powers of audit committee includes the powers stated under Clause 49(IIC) read with the provisions of the Companies Act, 1956 |

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| (D) Role of Audit Committee | 49 (IID) | Yes | The role of the audit committee includes the points given under the Clause 49(IID) read with the provisions of the Companies Act, 1956 |
| (E) Review of Information by Audit Committee | 49 (IIE) | Yes | The matters reviewed by audit committee include the information given under Clause 49(IIE) read with the provisions of the Companies Act, 1956 |
| III. Subsidiary Companies | 49 (III) | N.A | The subsidiary company is not a material non listed Indian subsidiary |
| IV. Disclosures | 49 (IV) | Yes | The Company has complied with the Disclosures to be made under Clause 49(IV) |
| (A) Basis of related party transactions | 49 (IV A) | N.A | There are no related party transactions to be placed before the committee during this quarter |
| (B) Disclosure of Accounting Treatment | 49(IV B) | N.A | The Company is following prescribed Accounting Standards, so there is no different treatment from prescribed Accounting Standards in the preparation of financial statements. |
| (C) Board Disclosures - Risk Management | 49(IV C) | Yes | The Company has complied with the procedures to inform Board members about the risk assessment as per Clause 49(IV C). |
| (D) Proceeds from public issues, rights issues, preferential issues etc. | 49(IV D) | N.A | The company has not raised funds during the quarter. |
| (E) Remuneration of Directors | 49(IV E) | Yes | There are no pecuniary relationships or transactions with the non-executive directors and no remuneration is paid to directors and the other necessary details were disclosed in the respective Annual Report. |
| (F) Management | 49 (IV F) | Yes | Management discussion and Analysis Report to the shareholders & the other relevant information under this head were included in the respective Annual Report. |
| (G) Shareholders | 49 (IVG) | Yes | The company has been complying with all the provisions given under Clause 49(IVG) |
| V. CEO / CFO Certification | 49 (V) | Yes | The Company has complied and approved the Annual Accounts for the Financial Year 2007-08 |
| VI. Report on Corporate Governance | 49 (VI) | Yes | A Report on Corporate Governance has been submitted along with the Annual Report for the F.Y : 2007-08 |
| VII. Compliance | 49 (VII) | Yes | A compliance report on corporate governance certified by the auditors of the company has been submitted along with the Annual Report for the F.Y : 2007-08 |

for Southern Online Bio Technologies Ltd

K. Radha Krishna
K. Radha Krishna
Director - Finance

Date : 13.07.2009
Place : Hyderabad

