

16th Annual Report 2013-2014



SOUTHERN ONLINE BIO TECHNOLOGIES LTD

Smart Solutions and Eco Friendly



SBT Biodiesel Plant - Visakhapatnam



SBT Biodiesel Plant - Visakhapatnam

CORPORATE INFORMATION

- Board of Directors** : **Ms. T. Rohini Reddy**, (DIN: 00638514)
Non Executive Chairman & Independent Director
Mr. N.Satish Kumar, (DIN: 00552358)
Managing Director
Mr. K.Radha Krishna, (DIN: 01585940)
Director - Finance & CFO
Mr. BHR. Balaji, (DIN: 00552538)
Executive Director
Mr. B.Sreedhara Reddy, (DIN: 01302512)
Director - Administration
Mr. Ashiwini Kumar Tripathi, (DIN: 00388913)
Non Executive & Independent Director
Mr.Kishor Shah, (DIN: 00170502)
Non Executive & Independent Director
Mr. Bachala Ashok, (DIN: 06856936)
Non Executive & Independent Director
Mr. Rajkumar Singh Chouhan, (DIN: 06838447)
Nominee Director
- Company Secretary** : **Ms G Anupama**
- Regd. Office** : # 8-3-833/173, Kamalapuri Colony,
Phase- II, Hyderabad-73
Tel: (040) 4912 1999, Fax: (040) 4912 1998
Website: www.sol.net.in
Email: info@sol.net.in
- Audit Committee** : 1. Ms T Rohini Reddy, Chairperson
2. Mr Bachala Ashok, Member
3. Mr Ashiwini Kumar Tripathi, Member
- Nomination and Remuneration Committee** : 1. Ms T Rohini Reddy, Chairperson
2. Mr Bachala Ashok, Member
3. Mr Kishor Shah, Member
- Stakeholders Relationship Committee** : 1. Ms T Rohini Reddy, Chairperson
2. Mr N Satish Kumar, Member
3. Mr K Radha Krishna, Member
- Auditors** : **M/s.P. Murali & Co.,**
Chartered Accountants
6-3-655/2/3, Somajiguda,
Hyderabad - 500 082
- Registrars& Share Transfer Agents** : **M/s. Aarthi Consultants Pvt. Ltd.**
1-2-285, Domalguda, Hyderabad-29
Tel: (040) 27642217 / 27638111, Fax: (040) 27632184
Email: info@aarthiconsultants.com

Bankers

: Bank of India

Banjara Hills Branch
MCH No 8-2-403/4,
Road No.4,Banjara Hills,
Hyderabad - 500 034

UCO Bank

Krishnama House,
No. 8-2-418 (Ground Floor),
Road No. 7, Banjara Hills,
Hyderabad - 500 034

State Bank of Hyderabad

Overseas Branch
6-3-652, "KAUTILYA"
Somajiguda,
Hyderabad - 500 082

Punjab National Bank

Deccan Chambers,
Opp Allwyn, Erragadda,
Sanath Nagar,
Hyderabad-500 018

Listed at

Bombay Stock Exchange Limited

Demat ISIN Number in NSDL & CDSL

INE 371B01015

Investor E-mail id:

investors@sol.net.in

Corporate Identification Number

L72900AP1998PLC030463

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting (AGM) of the Members of the Company will be held on Tuesday the 30th September 2014 at 10:30 am at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 030 to transact the following business:

ORDINARY BUSINESS:

Item no.1

To receive, consider and adopt the financial statements for the year ended 31st March 2014 including audited Balance sheet as at 31st March 2014, the statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.

Item no. 2

To appoint a Director in place of Mr B Sreedhara Reddy, who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 3

To appoint a Director in place of Mr BHR Balaji who retires by rotation and being eligible, offers himself for re-appointment.

Item no.4

To appoint M/s P. Murali & Co., Chartered Accountants, Hyderabad as Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS:

Item no.5. Appointment of Mr Bachala Ashok as an Independent Director.

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 149,152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr Bachala Ashok (holding DIN 06856936), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August 2014 and who holds office until the date of the AGM, in terms Section 161 of the

Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr Bachala Ashok as a candidate for the office of a director of the Company be and is hereby appointed as an Independent Director of the Company upto 31st March 2019, not liable to retire by rotation."

Item no. 6: Appointment of Ms T Rohini Reddy as an Independent Director.

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 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms T Rohini Reddy (holding DIN 00638514), Director of the Company who retires by rotation at the AGM and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."

Item no. 7: Appointment of Mr Ashiwini Kumar Tripathi as an Independent Director.

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 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr Ashiwini Kumar Tripathi (holding DIN 00388913), Director of the Company who retires by rotation at the AGM and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."

Item no. 8: Appointment of Mr Kishor Shah as an Independent Director.

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 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr Kishor Shah (holding DIN 00170502), Director of the Company who retires by rotation at the AGM and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five Consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."

Item no. 9: Contract to take on lease four wheeler vehicles (cars) from Whole Time Directors of the Company.

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

"RESOLVED THAT, pursuant to section 188 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into a contract to take on lease a four wheeler vehicles (cars) from three Whole Time Directors of the Company namely Mr NSatish Kumar, Mr K Radha Krishna and Mr B Sreedhara Reddy, with effect from 14th August 2014 or such other date as may be decided by the Board of Director of the Company for an estimated lease amount of Rs 85,000 per month, per car to be paid/ discharged in a manner and on such terms and conditions as may be mutually agreed upon between the Board of Directors of the Company and the three whole Time Directors (i.,e Interested Directors)."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters and things as may be necessary to give effect to the above resolution."

Item no. 10: Amendment of Articles of Association of the Company

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

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

a) In definition clause of Article 2 the following definition be inserted:

2(r) 'Electronic mode' means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:

- i. Business to business and business-to-consumer transactions, data interchange and other digital supply transactions;
- ii. Offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. Financial statements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. Online services such as telemarketing, telecommuting, education and information research; and all related data communication services;
- v. Facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. Posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
- vii. Other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and

- viii. Video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.
- b) A new Clause 23(d) is being inserted after Article 23 (c) which is as under:

"23(d). Service of documents through electronic mode

Notwithstanding anything contained in these articles and as per Section 20 & 134 of the Companies Act, 2013 read with rules made thereunder, a Company may serve copies of the Balance sheet, Statement of Profit and loss, Auditors' Report, Directors' Report, Notice of the General Meeting along with explanatory statements etc. and any other documents to the members through electronic mode, by following conditions laid down under the relevant Rules."

- c) A new Article 26A is being inserted after Article 26 which is as under:

"26A. Maintenance of registers and records in electronic mode

Notwithstanding anything contained in these Articles, Registers, Index, Agreement, Memorandum, Minutes, Books of Accounts or any other documents required to be kept by the Company under the Companies Act, 2013 may be kept in electronic form in such form and manner as may be prescribed under Section 120 of the Companies Act, 2013 and rules made thereunder."

- d) A new Article 31(g) is being inserted under Article 31(f) (ii) which is as under:

"31 (g) Voting by members through electronic mode

A member may exercise his vote at a General Meeting or Postal Ballot by electronic mode in accordance with Section 108 of the Companies Act, 2013 and rules made thereunder and shall be eligible to vote only once for a single resolution."

- e) A new article 33A is being inserted after Article 33(f) which is as under:

Appointment of Chairman/ Managing Director/ Chief Executive Officer

After conclusion of the existing text in Article 33 (f), the following article 33A shall be inserted

"An individual shall be appointed or re-appointed as Chairperson of the Company or Managing Director or Chief Executive officer of the Company at the same time or vice versa regardless of the Company whether operates in multiple segments of business or not."

- f) A new article 49A is being inserted after Article 49 which is as under:

"49A. Participation in Meeting of the Board by Directors through electronic mode.

Notwithstanding anything contained herein, the director(s) may participate in the meeting(s) of the Board or any committee thereof through electronic mode by video conferencing or other audio visual modes as may be prescribed, and the Director(s) so participating shall be deemed to be present at the meeting for the purposes of quorum, voting, recording of minutes and all other relevant provisions in this regard by following procedure specified under applicable laws for the time being in force and rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by competent/statutory authority(ies)."

- g) A new Article 85 is being inserted after Article 84 which is as under:

85. "General Clause - Overriding effect of Companies Act, 2013"

The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made thereunder, the provisions of Companies Act, 2013 and rules made thereunder shall override the provisions of these Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any."

by order of the Board of Directors
For Southern Online Bio Technologies Limited

Place : Hyderabad
Date :14.08.2014

G Anupama
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THERE AT INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy in order to be effective shall be deposited at the registered office of the Company by not less than 48 hours before the commencement of the meeting.
2. Explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members/Register of Beneficiaries and Share Transfer Books of the Company will remain closed from 26th September 2014 to 30th September 2014 (both days inclusive).
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
5. Members holding shares in physical form are requested to notify / send any change in their address/e-mail ID to the Company's Share Transfer Agents, or to the Company at its registered office.
6. Members holding shares in dematerialization form are requested to notify/send any change in their address/ e-mail ID to the concerned depository participant(s).
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Corporate Members are requested to send the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
9. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. At the ensuing Annual General Meeting Mr BHR Balaji and Mr. B. Sreedhara Reddy retire by rotation and being eligible offered themselves for re-appointment. Pursuant to the clause 49 of the Listing agreement, brief profile of each of these directors is given below:
 - A) Mr B Sreedhara Reddy aged 45 years is Graduate in Civil Engineering from Nagarjuna University, Guntur. He was involved in several construction projects. He has experience of more than 17 years in the field of construction and Information Technology. He is handling administration and related activities of the Company. He is also director in Southern Biofe Biofuels Private Limited a wholly owned subsidiary of the Company and Southern Online Services Limited. He doesnot hold any committee Memberships in any Company. He is on the Board of the Company since November 1998. Mr B Sreedhara Reddy holds 21,22,157 equity shares of the Company.
 - B) Mr BHR Balaji aged 42 years is graduate in Electronics and Telecommunication Engineering. Prior to promoting Southern Online he worked in Choice Solutions Private Limited, Sagar soft (India) Limited, World wide web institute as Technical Consultant. Mr Balaji has vast knowledge and experience in administration and support of internet, intranet corporate networks, enterprise solutions and other products. He has also development experience on web based application. He has more than a decade experience in the IT field. His professional knowledge and expertise would be of immense useful to the efficient functioning of the Technical Department. He is on the

Board of the Company since November 1998. He is currently looking after ISP Operations. He is also Director of Southern Biofe Biofuels Pvt Ltd a wholly owned subsidiary of your Company. He doesnot hold any committee memberships in any company. Mr BHR Balaji holds 7,11,657 equity shares of the Company.

11. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the meeting.
12. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/ Depository participants (s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
13. Additional information pursuant to clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors Appointment / re- appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
14. Shareholders / proxies should bring duly filled attendance slips sent herewith for attending the meeting along with copies of Annual Reports to the Annual General Meeting.
15. Members may also note that the Notice of 16th AGM and the Annual Report for 2013-14 will also be available on the Company's website www.sol.net.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost, For any communication, the shareholders may also send requests to the Company's investor email id investors@sol.net.in.

16. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 16th AGM by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited.

Instructions for e-voting

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab.
- (iii) Now enter your User ID

For Members holding shares in Demat Form	For Members holding shares in Physical Form
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,	Folio Number registered with the Company
For CDSL: 16 digits beneficiary ID,	

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) 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> <ul style="list-style-type: none"> Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field. Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA123445678'.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio no. or client id.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in Physical form will then reach directly to the voting screen.
- (ix) 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.
If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (x) Click on the relevant EVSN for the "Southern Online Bio Technologies Limited" on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- (xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) Note for Non-Individual Shareholders & Custodians:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(xvii) 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

In case of members receiving the physical copy:

Please follow all steps from sl. no. (i) to sl. no. (xiv) above to cast vote.

- II. The voting period begins on 23.09.2014 at 9.00 A.M. and ends on 25.09.2014 at 5.00 P.M.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as of 22nd August 2014 (i.e cutoff date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- III. The voting rights of shareholders shall be in proportion to the shares held by them in the paidup equity share capital of the Company as on 22nd August 2014.
- IV. Mr Vivek Surana, Practising Company Secretary, C.P no 12907 has been appointed as the scrutinizer to scrutinize the e-voting process.
- V. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a scrutinizer report of the votes cast in favour or against if any, forthwith to the Chairman of the Company.
- VI. The results shall be declared on or after the AGM of the Company. The Results declared along with scrutinizer report shall be placed on the Company's website www.sol.net.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- VII. Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut off date of 22nd August 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

Statement pursuant to Section 102(1) of the Companies Act, 2013

Item no 5: Appointment of Mr Bachala Ashok as an Independent Director of the Company.

The Board, at its meeting held on 14th August 2014, appointed Mr Bachala Ashok as Additional Director of the Company with effect from 14th August 2014, pursuant to section 161 of the Companies Act, 2013, read with Articles of Association of the Company. Pursuant to Section 161 of the Companies Act, 2013, Mr Bachala Ashok will hold office up to the date of ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs 1,00,000/- proposing the candidature of Mr Bachala Ashok for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Company has received from Mr Bachala Ashok (i) consent in writing to act as director in Form DIR 2 pursuant to

Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act, 2013.

Mr Bachala Ashok aged 35 years is a graduate from MGR Medical University. He is Cosmetic Dental surgeon, implantologist and also referral panel doctor to Apollo, Sunshine Hospitals, Prime hospitals, Rainbow hospitals.

The resolution seeks the approval of members for the appointment of Mr Bachala Ashok as an Independent Director of the Company up to 31st March 2019 pursuant to section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr Bachala Ashok, the Independent Director proposed to be appointed, fulfils the conditions specified in the Companies Act 2013 and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr Bachala Ashok as an independent Director setting out the terms and conditions is available for inspection with out any fees by the members at the Company's registered office during normal business hours on working days up to the date of AGM.

No director, Key Managerial Personnel or their relatives, except Mr Bachala Ashok, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no 5 for the approval of members. Except Mr Bachala Ashok, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.5.

Item no 6: Appointment of Ms T Rohini Reddy as Non-Executive Independent Director of the Company.

Ms T Rohini Reddy is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company in October 2004. Ms T Rohini Reddy is the Chairperson of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Ms T Rohini Reddy is a Post Graduate in M.Sc (Bio Technology) & M.Tech (Bio Technology) from JNT University and pursuing PhD in Bio Technology in JNT University, Hyderabad.

Ms T Rohini Reddy retires by rotation at the ensuing AGM under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms T Rohini Reddy being eligible and offering herself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019. A notice has been received from a Member proposing Ms T Rohini Reddy as a candidate for the office of Director of the Company.

In the opinion of the Board Ms T Rohini Reddy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms T Rohini Reddy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms T Rohini Reddy as an Independent Director, for the approval by the shareholders of the Company.

Except Ms T Rohini Reddy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.6.

Item no 7: Appointment of Mr Ashiwini Kumar Tripathi as Non-Executive Independent Director of the Company.

Mr Ashiwini Kumar Tripathi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in December, 2011. Mr Ashiwini Kumar Tripathi is the Member of the Audit Committee of the Board of Directors of the Company.

Mr Ashiwini Kumar Tripathi is having the qualification of PGDM- Specialization in Finance and professional Diploma in Financial Management has a very good academic career.

Mr Ashiwini Kumar Tripathi retires by rotation at the ensuing AGM under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Ashiwini Kumar Tripathi being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019. A notice has been received from a Member proposing Mr Ashiwini Kumar Tripathi as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Ashiwini Kumar Tripathi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr Ashiwini Kumar Tripathi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr Ashiwini Kumar Tripathi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr Ashiwini Kumar Tripathi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.7.

Item no 8: Appointment of Mr Kishor Shah as Non-Executive Independent Director of the Company.

Mr Kishor Shah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2009. Mr Kishor Shah is the Member of Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr Kishor Shah is B.Com (H), ACA and ACS. He has passed all the examination of The Institute of Cost and Management Accountants, U.K. He has 32 years of experience in Investment Banking and Wealth Management Operations includes Mergers and Acquisitions, Portfolio Management, Take overs, Valuation of shares etc.,

Mr Kishor Shah retires by rotation at the ensuing AGM under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Kishor Shah being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019. A notice has been received from a Member proposing Mr Kishor Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Kishor Shah fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr Kishor Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr Kishor Shah as an Independent Director, for the approval by the shareholders of the Company.

Except Mr Kishor Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item no.8.

Item no 9 : Contract to take on lease four wheeler vehicles (cars) from Whole Time Director (i.e Interested Director) of the Company.

The Board of Directors felt the need to provide Four Wheeler Vehicles (cars) to the Whole Time Directors of the Company i.,e Mr N Satish Kumar, Mr K Radha Krishna and Mr B Sreedhara Reddy. As the Company is not in a position to provide cars to them, the Board decided to take on lease the cars owned by them and pay the lease amount on monthly basis at the rate of Rs 85,000/- per car.

Mr N Satish Kumar, Mr K Radha Krishna and Mr B Sreedhara Reddy are 'related parties' within the meaning of Section 2 (78) of the Companies Act, 2013 and thus the transaction requires the approval of the members by a special resolution under section 188 of the Companies Act, 2013

The particulars of the transaction pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its powers) Rules, 2014 are as under

- 1. Name of the related parties :** Mr N Satish Kumar, Mr K Radha Krishna and Mr B Sreedhara Reddy
- 2. Name of the director or Key managerial personnel who is related :** Mr N Satish Kumar, Mr K Radha Krishna and Mr B Sreedhara Reddy
- 3. Name of the relationship :** Managing Director, Director Finance and Director Administration of the Company respectively
- 4. Monetary Value :** Estimated consideration of upto Rs 85,000/- per month, per car,
- 5. Nature, material terms and particulars of the arrangement:**

Contract : Vehicle lease Agreement

Purpose : To take the vehicles on lease and to pay lease amount of Rs 85,000/- per month, per Car.

6. Any other information relevant or important for the members to make a decision on the proposed transaction: None. The Board recommends the resolution set forth in item no 9 for approval of the members as a special resolution.

No Director, key managerial personnel or their relatives, except Mr N Satish Kumar, Mr K Radha Krishna and Mr B Sreedhara Reddy to whom the resolution relates, is interested or concerned in the resolution.

Item No.10: Amendment to Articles of Association of the Company

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company. Some new articles/clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution.

by order of the Board of Directors
for Southern Online Bio Technologies Limited

Place : Hyderabad

Date :14.08.2014

G Anupama
Compliance Officer and Company Secretary

Additional Information on Directors recommended for appointment/ re-appointment as required under clause 49 of the Listing Agreement.

1. Mr Bachala Ashok

Mr Bachala Ashok born in 1979 is a graduate from MGR Medical University. He is Cosmetic and Dental Surgeon and Implantologist. He has more than 12 years of experience in the said field. He is also referral panel Doctor to Apollo hospitals, Sunshine, Prime and Rainbow Hospitals. He is on the Board of Company from 14th August 2014.

He is member of Audit Committee and Nomination and Remuneration Committee.

Except in Southern Online Bio Technologies he doesn't hold directorship or committee chairmanship/membership in any other companies.

2. Ms T Rohini Reddy

Ms T Rohini Reddy, is a post graduate in M.Sc (Bio Technology) & M.Tech (Bio Technology) from JNT University and pursuing Ph.D in Bio Technology in JNT University, Hyderabad. She is currently heading Bio Technology department at CMR College of Engineering and Technology. She has also been involved in R & D laboratories in the fields of Bio Technology research. She would be looking after Company's R & D efforts.

She is in the Board of the Company since October 2004 and holds the Chairperson position for Audit Committee, Nomination and Remuneration committee and Stakeholders Relationship Committee. She holds 5000 equity shares in the Company.

Except in Southern Online Bio Technologies she doesn't hold directorship or committee chairmanship/membership in any other companies.

3. Mr Ashiwini Kumar Tripathi

Mr Ashiwini Kumar Tripathi aged 44 years having qualification of PGDM-Specialisation in Finance and professional Diploma in Finance Management has a very good academic career. He has 20 years of real time experience in Securities Markets, Mutual Funds and other securities business

including fixed income securities, Portfolio Management and treasury operations and played instrumental role in providing portfolio advisory services to the high net worth individuals and corporates.

He is in the Board of the Company since December 2011. He is member of Audit committee of the Company and holds 20,600 equity shares of the Company.

Mr Ashiwini is Director in Sudha Commercial Company Ltd, Wealth Management Advisory Services Limited, Rahul & Company Limited, Megha Towers Pvt Ltd, Bogota Consultancy Services Pvt Ltd, Casper Agro Pvt Ltd.

4. Mr Kishor Shah

Mr Kishor Shah aged 58 years is B.Com (H), ACA and ACS. He has also passed all the examinations of The Institute of Cost and Management Accountants., U.K. He has 32 years of Post Qualifications experience in Investment Banking and Wealth Management Operations including Mergers and Acquisitions, Portfolio Management, Takeovers, Valuation of shares, Underwriting, Loan Syndication and Advisory functions etc. Mr Shah occupied many Senior level Positions in well-established Organisations. He is in the Board of the Company since February 2009 and is member of Nomination and Remuneration Committee of the Company.

He is Director in SMIFS Capital Services Limited, Bengal Aerotropolis Projects Ltd, SMIFS Capital Markets Limited. He is member of Audit Committee, Stakeholders Relationship committee of SMIFS Capital Markets Limited and he is also Member of Audit Committee of SMIFS Capital Services Limited.

DIRECTORS' REPORT

To the Members,

We are delighted to present the report on our business and operation for the year ended 31st March 2014.

Results of our operation

The highlights of the financial results for the year under review along with the comparative figures for the previous year are as follows:

Particulars	2013 - 14	2012 - 13
Total Income	20151.14	14334.61
Total Expenditure	22677.89	14938.96
Profit before Tax	(2526.75)	(604.34)
Less: Provision for taxation	(819.80)	357.75
Net Loss after Tax	(1706.95)	(962.09)

Review and Prospects

The total revenue of the Company for the financial year ended 31st March, 2014 is Rs.20151.14 Lakhs as compared to the previous year's total revenue of Rs14334.61 lakhs. During this financial year the Company has incurred a net loss of Rs. 1706.95 Lakhs as against the previous year's net loss of Rs 962.09 Lakhs (after deferred tax assets provision). The net loss incurred is due to low average capacity utilization and non operations because of limited working capital and also delay in getting the required and sanctioned working capital limits.

The Company's Products / Services

The Company presently provides Internet Services as a Licensed ISP. The Company's services include the following:

- Server Co-Location
- Leased Line Services (Terrestrial and RF Links)
- Broadband Services
- Net Working Solutions
- Web Hosting Services.

Biodiesel Units

The Company has two Biodiesel Units

1. One is at Samsthan Narayanpur Village & Mandal, Nalgonda District with 30,000 Liters per day capacity.
2. The other unit is at APIIC-SEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam with 2,50,000 Liters per day capacity.

The Company has been supplying biodiesel to various well reputed customers like Panama Petro Chem, IpsaTexchem, Sovino foods Pvt Ltd, Real Bakers Pvt Ltd, Anand foods Pvt Ltd, 8 units of Parle group, Evergreen Energy Inc., Witmans Industries, Biking Foods Pvt Ltd, Jubilant Life Sciences, Paramount Chemicals, Google colors, Hotel Radisson Blu, Hotel Marriott and other traders etc.

Plant at Vizag

The plant is all set for optimum production capacity utilization in the coming fiscal year with the sanctioned working capital limits. The Company is in receipt of 4000 Mts of UCOME (Biodiesel) order from Europe.

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.

Corporate Debt Restructuring (CDR)

The working of your company was adversely affected due to insufficient working capital which resulted in low capacity utilisation. To get the required working capital and to overcome the adverse effects of low capacity utilisation, your Company made a reference to the CDR cell through Bank of India for restructuring of the debts of the Company and to have the required working capital limits for the company through CDR mechanism envisaged under RBI guidelines dated August 23, 2001 and subsequent amendments thereto. The CDR Empowered Group (CDR-EG) approved a restructuring scheme in terms of which the existing facilities were restructured in October 2013 and also approved the demerger of Internet Service provider and Biodiesel businesses. The Company had executed the Master Restructuring Agreement in February 2014 (the MRA) with CDR Lender in furtherance of CDR scheme, besides various other related documents as envisaged under the CDR scheme. The cut off date is 1st April 2013. The CDR proposal includes a two year moratorium on principal and term debt interest payments and approximately 3% reduction in interest rates. In terms of CDR scheme, the promoters (on their own or together with friends, relatives and associates) are required to bring in equity to the extent of Rs 6.23 Cr into the Company within the stipulated time, which has been infused successfully before March 2014.

Credit facilities sanctioned under CDR

The following credit facilities have been sanctioned/ Restructured by the Consortium banks CDR EG (Bank of India, State Bank of Hyderabad, UCO Bank and Punjab National Bank):

1. Term Loan III - Restructured to Rs 39.44 Cr
2. Term Loan IV- Restructured to Rs 24.52 Cr
3. Funded Interest Term Loan (FITL) I- Restructured to Rs 10.59 Cr
4. Working Capital Term Loan (WCTL) I- Restructured to Rs 22.00 Cr
5. Additional sanction of FITL II- Restructured to Rs 24.54 Cr
6. Additional Sanction of WCTL II - Rs 22.45 Cr
7. Working Capital Fund Based (WCFB) enhanced from Rs 12.55 Cr (after WCTL II carved) to Rs 45.46 Cr
8. WCFB enhanced from Rs 36.75 Cr to Rs 80.83 Cr

The above said limits are secured by way of charge on the movable and immovable properties of the Company and personal guarantees of Directors.

Term Loan I and II have been fully paid.

Directors

Pursuant to the Articles of Association of the Company and the Companies Act, 2013, Mr B Sreedhara Reddy and Mr BHR Balaji Directors, whose period of office is determined to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Pursuant to the notification of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Mr Bachala Ashok, Ms T Rohini Reddy, Mr Kishor Shah and Mr Ashwini Kumar Tripathi as Independent Directors for five consecutive years for a term up to 31st March 2019. Details of the proposal for appointment for the above said independent directors are mentioned in the explanatory system under section 102 of the Companies Act, 2013 of the notice of 16th AGM and also under Additional information as per clause 49 of the Listing Agreement.

Capital of the Company:

The Authorised Share Capital of the Company is Rs 75,00,00,000/- (Rupees Seventy Five Crores only) divided into 7,50,00,000 equity shares of Rs 10/- each. The paid up capital of the Company is Rs 51,27,78,740 divided into 5,12,77,874 equity shares of Rs 10/- each. 77,15,414 Equity shares of Rs 10/- each are yet to be listed with BSE and the Listing application is pending with BSE.

Corporate Governance

Your Directors are happy to report that your Company is in compliance with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchange. A separate section on Corporate Governance and

Management Discussion and Analysis together with a certificate from the Statutory Auditor's confirming compliance is set out in the Annexure forming part of this report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed and there are no material departures.
- ii. We have selected appropriate accounting policies and applied them consistently and have 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 as on 31st March 2014 and of the loss of the company for the financial year ended 31st March 2014.
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. We have prepared the annual accounts for the financial year ended 31st March, 2014 on going concern basis.

Auditors

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Auditor's Report

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended 31st March 2014 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures.

Internal Auditor

M.M Reddy & Co., Chartered Accountants, Hyderabad shall be in the Internal Auditors of the Company.

Fixed Deposits

The Company has not invited/accepted any fixed deposits from the public.

Employee Particulars

None of the employees is in receipt of remuneration exceeding the limit and whose particulars are required to be given as prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Statutory Compliance

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

Additional Information as Required U/S 217(1) (e) of the Companies Act, 1956

(a) Conservation of Energy:

The Company has undertaken significant measures to reduce the energy consumption by using energy efficient machines and equipment. The Company also undertakes evaluation of latest technology and invests in making its infrastructure more energy efficient.

(b) Research and Development and Technology Absorption:

Your company will continue to focus and invest in its R & D activities in the production of biodiesel and in providing World Class ISP services to its customers.

(c) (i) **Foreign exchange earnings**

(Rs in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Export of Goods	10,095.73	8,197.76
Total	10,095.73	8,197.76

(ii) **Foreign exchange Outflow**

(Rs in Lakhs)

Particulars	As at 31.03.2014	As at 31.03.2013
Foreign Travel	77.81	5.32
For Purchases	8,018.55	6,557.73
Membership Fee	NIL	3.22
Total	8,096.36	6,566.27

Stock Exchanges

The Company's Equity shares are listed in Bombay Stock Exchange Limited (Stock Code: 532669). The Company has paid the Listing Fees to the Stock Exchange for the Financial Year 2014-15.

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 Aarathi Consultants Private Limited our Registrars and Share Transfer Agents, no response has been received. As a result, the said unclaimed shares are credited to Southern Online Bio Technologies Ltd - Unclaimed Securities Demat Suspense Account in view of compliance of Clause 5A of the Listing Agreement. 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 Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

International Sustainability for Carbon Certification (ISCC)

Your Company is the first in India to receive ISCC. The ISCC is mandatory for exporting Biodiesel and Used Cooking Oil to European countries and it is renewed .

Consolidated Financial Statements

In accordance with the Accounting standards AS-21, notified by Companies (Accounting Standards) Rules 2006, the consolidated financial statements covered in this annual report by the Company include financial information of its subsidiary M/s Southern Biofe Biofuels Private Limited forms part of this annual report.

Acknowledgements

Your Directors place on record their appreciation of the continuous assistance and co-operation extended to your Company by the valued customers, bankers, the Office of APIIC & APSEZ, APITCO, Pollution Control Board, Engine manufacturers like Kirloskar, Indian Railways, Research Designs and Standard Organization (RDSO) of Indian Railways, Central & State Government and all the trusted shareholders. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

For and on behalf of the Board of Directors

Place: Hyderabad
Date :14.08.2014

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director -Finance & CFO

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis Report is given below:

A. ISP Division

The Internet has revolutionized the computer and communications world like nothing before. The Internet is at once a world wide broad casting capability, a mechanism for information dissemination and a medium for collaboration and interaction between Individuals and their computers.

The Company provides Internet services to individuals, corporate clients and cyber cafes. More especially the Company provides Internet Services to rural areas.

Major threats for this industry is new entrants which leads to competition in prices.

B. Bio Diesel

India's economic growth rate makes a huge demand on energy inputs. The Country has enormous growth but has yet to solidify any mandates, Programs of significant infrastructure for biodiesel production. Biofuels have been regarded as one of the magic bullet to reduce Green House Gasses (GHG) in transportation for years. The Biofuel policy dealing with bio ethanol and biodiesel aims to main stream fuels into the energy and transportation sector to address issues like climate change, energy security and rural unemployment. The policy has proposed an indicative target of 20% blending of biofuels both biodiesel and bio ethanol by 2017.

At present the Government has made mandatory blending of 5% biodiesel for Indian Railways.

Internal Control System and their Adequacy

The Company has adequate internal control systems and procedures in all operational areas and at all levels - equipments procurement, finance, administration, marketing and personnel departments. The Company also has internal Audit system 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.

Discussion on Financial Performance with respect to Operational Performance

During the year under review the total revenue of the Company for the financial year ended 31st March, 2014 is Rs.20151.14 Lakhs as compared to the previous year's total revenue of Rs 14334.16 Lakhs. During this financial year the Company has incurred a net loss of Rs. 1706.95 Lakhs as against the previous year's net loss of Rs.962.09 Lakhs (after deferred tax assets provision). The net loss incurred is due to low average capacity utilization and non operations because of limited working capital and also delay in getting the required and sanctioned working capital limits.

Human Resource 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

Company's philosophy on Corporate Governance

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. This is ensured by taking ethical business decisions and conducting business with a firm commitment and values while meeting stakeholders expectations, that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

SBT is committed to continually evolving and adopting appropriate corporate governance best practices.

1. Board of Directors

A. Composition

- a. The current policy is to have an appropriate mix of executive and independent Directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31st March 2014 the Board consists of 9 Directors, four of whom are Executive or Whole Time Directors, Four are Non Executive and Independent Directors, and one Director is Nominee Director. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- b. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/ she is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on 31st March 2014.
- c. The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below.

Composition and category of Directors on the Board for the year 2013-14 are given below:

Name of the Director	Category	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies	Number of shares
N. Satish Kumar	Promoter & Managing Director	2	NIL	60,27,652
K.Radha Krishna	Promoter & Managing Finance	2	NIL	25,34,657
B. Sreedhara Reddy	Promoter & Director Administration	2	NIL	21,22,157
B.H.R. Balaji	Promoter & Executive Director	1	NIL	7,11,657
Y. AnandSwaroop*	Independent Director & Non Executive Chairman	NIL	NIL	1,47,300
T. Rohini Reddy**	Independent Director	NIL	NIL	5,000
Ashiwini Kumar Tripathi	Independent Director	6	NIL	20,600
Kishor Shah	Independent Director	3	5	NIL
Christian A Schmidt***	Non Executive Director	NIL	NIL	12,76,102
Rajkumar Singh Chouhan****	Nominee Director	NIL	NIL	Nil
Bachala Ashok*****	Independent Director	NIL	NIL	NIL

- * Mr Y AnandSwaroop resigned from the Board and Chairmanship w.e.f 14th August 2014.
- ** Ms T Rohini Reddy was appointed as Non Executive Chairman w.e.f 14th August 2014.
- *** Mr Christian A Schmidt resigned from the Board w.e.f 14th August 2014.
- **** Mr Rajkumar Singh Chouhan was appointed as Nominee Director on 11th March 2014.
- ***** Mr Bachala Ashok was inducted into the Board w.e.f 14th August 2014.

Note: Number of Directorship in other Companies includes listed, Unlisted, public and Private Companies.

- d. Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.
- e. During the Financial Year 2013-14 the Board of Directors met 12 times on the following dates: 30.04.2013, 27.05.2013, 05.06.2013, 15.06.2013, 10.08.2013, 22.08.2013, 11.11.2013, 07.12.2013, 24.12.2013, 13.12.2014, 11.03.2014, 27.03.2014.
- f. The time gap between any two Board Meetings did not exceed four months.

Attendance of Directors at Board Meetings and at the last Annual General Meeting (AGM) held on 30th September, 2013.

Name of the Director	No. of Board Meetings attended	Whether attended the last AGM
N. Satish Kumar	12	Yes
K.Radha Krishna	11	Yes
B. Sreedhara Reddy	7	Yes
BHR Balaji	6	No
Y. AnandSwaroop	8	No
T. Rohini Reddy	12	Yes
Ashiwini Kumar Tripathi	-	No
Kishor Shah	-	No
Christian A Schmidt	-	No
Rajkumar Singh Chouhan	-	-
Bachala Ashok	-	-

2. Board's Procedure

Agenda papers along with explanatory statements were circulated to the Directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

3. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2013-14

SBT is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, officers and employees.

I hereby certify that all Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2013-14.

Place: Hyderabad

Date: 14.08.2014

N. Satish Kumar

Managing Director

4. Audit Committee

- I) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 177 of the Companies Act, 2013.
- II) The terms of reference of the Audit Committee include a review of;
- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - i Any changes in accounting policies and practices;
 - ii Qualification in draft audit report;
 - iii Significant adjustments arising out of audit;
 - iv The going concern concept;
 - v Compliance with accounting standards;
 - vi Compliance with stock exchange and legal requirements concerning financial statements;
 - vii Any related party transactions
 - Reviewing the company's financial and risk management's policies.
 - Disclosure of contingent liabilities.
 - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Looking into the reasons if for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - Reviewing compliances as regards the Company's Whistle Blower Policy.
- III) The previous Annual General Meeting of the Company was held on 30th September 2013 and Ms T Rohini Reddy Chairperson of the Audit Committee, attended previous AGM.
- IV) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Composition

The Company has constituted an Audit Committee comprising of the following three Non-Executive Independent Directors.

S.No	Name of the Director	Designation	Nature of Directorship
1	T Rohini Reddy	Chairperson	Non-Executive & Independent Director
2	Y Anand Swaroop*	Member	Non-Executive & Independent Director
3	Ashiwini Kumar Tripathi	Member	Non-Executive & Independent Director
4	Bachala Ashok**	Member	Non-Executive & Independent Director

* Mr Y Anand Swaroop resigned from the Committee membership w.e.f 14th August 2014.

** Mr Bachala Ashok was appointed as member of the Committee w.e.f 14th August 2014.

V) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 27.05.2013, 10.08.2013, 11.11.2013, 13.02.2014.

The necessary quorum was present at all the meetings.

Attendance during the year 2013-14:

Name	Number of meetings held during the year	Number of meetings attended during the year
T. Rohini Reddy	4	4
Y.Anand Swaroop	4	4
Ashiwini Kumar Tripathi	4	-
Bachala Ashok	4	-

Subsidiary Company

Southern Biofe Biofuels Pvt. Ltd (SBBF)

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.

The minutes of the Board Meetings of subsidiary company are placed at the Board Meetings of Southern Online Bio Technologies Limited

5. Nomination and Remuneration Committee

The Company has constituted Remuneration Committee to decide, fix the remuneration payable to the Managing / Whole time Directors of the Company.

However, the remuneration of the Managing / Whole time Director is subject to approval of the Board, and of the Company in the General Meeting and such approvals as may be necessary. The remuneration structure of Managing / Whole time Director comprises of salary only.

A. Composition

The Remuneration Committee consists of the following Directors:

S.No	Name of the Director	Designation	Nature of Directorship
1	T.Rohini Reddy	Chairperson	Non-Executive & Independent Director
2	Y. Anand Swaroop*	Member	Non-Executive & Independent Director
3	Kishor Shah	Member	Non-Executive & Independent Director
4	Bachala Ashok**	Member	Non-Executive & Independent Director

* Mr Y Anand Swaroop resigned from the Committee membership w.e.f 14th August 2014.

** Mr Bachala Ashok was appointed as member of the Committee w.e.f 14th August 2014.

B. Brief description of terms of reference

The Remuneration Committee shall function in accordance with the terms of reference made by the Board of Directors, which are given as follows:

- To fix the remuneration packages of Executive Directors i.e., Managing Director, Whole time Directors, etc.,
- To decide on the elements of remuneration package of all Directors i.e., salary, benefits, bonuses, stock options, pension etc."

The Non-executive Directors are paid sitting fees for attending the Board and Committee meetings. No Remuneration Committee Meetings held during the Financial Year 2013-14.

The details of the salary and commission paid / payable for the Financial Year ended 31st March, 2014 to the Managing / Whole time Director are as under:

Name of the Director	Designation	Salary per annum (Rs. in Lakhs)	Commission
N. Satish Kumar	Managing Director	19.20	NIL
K. Radha Krishna	Director Finance & CFO	12.00	NIL
B. Sreedhara Reddy	Director Administration	12.00	NIL
BHR Balaji	Executive Director	12.00	NIL

The Company does not have any stock option scheme to the Whole-time Directors. The appointments are made in accordance with the terms and conditions specified in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.

6. Stakeholders Relationship Committee

A. Composition

Your Company has constituted Stake holders Relationship Committee consisting of the following Directors:

S.No	Name of the Director	Designation	Nature of Directorship
1	T. Rohini Reddy	Chairperson	Non-Executive & Independent Director
2	N Satish Kumar	Member	Executive & Promoter Director
3	K Radha Krishna	Member	Executive & Promoter Director

B. Powers

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgment in the case of shares held in physical form.

During the period under review, thirty share transfer was received from the shareholder, has been transferred and there are no pending Share Transfers / Complaints as on date of this report.

7. General Body Meetings

Financial year	Date	Time	Venue	Resolutions Passed
15th AGM 2012-13	30.09.2013	10.30 AM	Dwaraka Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 30.	1.No Special Business in this meeting.
14th AGM 2011-12	29.09.2012	11.30 AM	Maisamma Garden, #4-1-6/2, Kalikanagar, Opp. Kalimandir Temple, Bandlaguda Jagir, Rajendranagar, Hyderabad - 086	1. Mr Ashiwini Kumar Tripathi appointed as Director of the Company. 2. Issue of 62,50,000 equity shares to promoters and others on Preferential basis u/s 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956.
13th AGM 2010-2011	30.09.2011	11.30 AM	Dream Valley Srinagar, Gandipet, Hyderabad- 075	1. Re-appointment of Mr N Satish Kumar as Managing Director.

Postal Ballot Meeting

Financial year	Date	Time	Venue	Resolutions Passed
2013-14	11.06.2013	04.30 PM	3A, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 004	1. Issue of 1,66,64,059 Equity shares to Promoters and Others on Preferential Basis u/s 81(1A) of the Companies Act, 1956. (68,17,461 voted for and 12,920 voted against for this resolution.) 2. Increase in Borrowing Limits from Rs 279 crores to Rs 459 u/s 293(1)(d) and other applicable provisions if any of the Companies Act, 1956. (68,17,461 voted for and 12,920 voted against for this resolution.) 3. Creation of Charge on Movable and Immovable properties of the Company, both present and future in respect of borrowings u/s 293(1)(a) and other applicable provisions if any of the Companies Act, 1956. (68,17,461 voted for and 12,920 voted against for this resolution.)
2014-15	10.05.2014	04.30 PM	3A, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 004	1. Issue of 77,15,414 Equity shares to Promoters and Others on Preferential Basis u/s 81(1A) of the Companies Act, 1956 read with Section 62(1) of the Companies Act 2013. (2,12,33,621 voted for and 1400 voted against for this resolution) 2. Increase in Borrowing Limits from Rs 279 crores to Rs 459 u/s 180 and other applicable provisions if any of the Companies Act, 2013. This resolution is passed in view of the applicability of new provisions of the Companies Act 2013. Though the shareholders approval was taken in the postal ballot dated 11.06.2013 as mentioned in above. (2,12,32,971 voted for and 500 voted against for this resolution)

2014-15	21.08.2014	4.30 PM	# 8-3-833/173, Kamalapuri colony, Phase II, Hyderabad 500 073	1. Disclosure of details of natural person who are beneficial owners in case of allotment of 77,15,414 Equity shares on preferential basis to promoter group and non promoter group. (2,28,56,192 voted for and 510 voted against this resolution). (Mr Vivek Surana is the scrutinizer for this postal ballot).
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Auditors' Certificate on Corporate Governance as required by revised Clause 49 of the Listing Agreement as given in an annexure to the Director's Report.

8. Disclosures

- The Company has entered into a transaction of material nature with related parties i.e., Directors, Management, their relatives conflicting with the Company's interest.
- **Details of non-compliance**
There has been no non-compliance of any legal requirements nor have been any strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.
- **Whistle Blower policy**
We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the Company. The mechanism provided direct access to the Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the Company. The Whistle Blower Policy has been posted on the Website of the Company.
- **Compliance with non-mandatory requirements of clause 49 of the listing agreement**
The Company has complied with the non-mandatory requirements relating to nomination and remuneration committee and Whistle Blower policy to the extent detailed above and has not complied with other non-mandatory requirements.
- **Management Discussion and Analysis**
A detailed section on 'Management Discussion and Analysis' (MDA), pursuant to Clause 49 of the Listing Agreement forms part of this Annual Report.

9. Means of Communication

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers, viz. Business Standard, Surya and Andhra Prabha. These financial statements, press releases are also posted on the Company's website, at www.sol.net.in. As the financial performance of the Company is well published, individual communications are not sent to the shareholders.

General Shareholder Information:

The following information would be useful to the shareholders:

a) Sixteenth Annual General Meeting

Date and Time : Tuesday the 30th September 2014 at 10.30 am
 Venue : Dwaraka Conference Hall, Plot no 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad 500 030

Financial year to which the AGM relates to is 2013-14

Financial Calendar 2014-15 (Tentative Schedule)

For the Quarter ended 30th June, 2014, the Company has already declared the Unaudited Financial Results on 14th August, 2014.

Adoption of Quarterly results for the Quarter ending

30th September, 2014	:	1st/2nd Week of November, 2014
31st December, 2014	:	1st/2nd Week of February, 2015
31st March, 2015	:	on or before 15th May 2015
Annual General Meeting (Next year)	:	August / September, 2015

b) Book Closure Date

26th September 2014 to 30th September 2014 (both days inclusive)

c) Listing on Stock Exchanges : Bombay Stock Exchange Ltd

d) Stock Code

- Stock Code / Symbol : BSE : 532669 / SBTL
- Demat ISIN number in NSDL & CDSL : INE 371B01015

Electronic Connectivity

National Securities Depository Limited

Trade World, Kamala Mills Compound
Senapat Bapat Marg, Lower Parel
Mumbai - 400 013

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers, 28th Floor
Dalal Street, Mumbai - 400 023

e) Stock Market Data

The monthly high / low prices of shares of the Company from April, 2013 to March, 2014 at Bombay Stock Exchange

Scrip Code: 532669 Company Name: SOUTHBIOTEC For the period: April 2013 to March 2014

Date	High (Rs.)	Low (Rs.)	No. of Shares
April 2013	8.29	5.26	3,96,428
May 2013	7.73	7.06	1,97,099
June 2013	9.80	7.75	9,00,616
July 2013	10.18	9.00	4,18,279
August 2013	8.56	4.83	10,48,885
September 2013	7.73	4.86	3,48,223
October 2013	7.29	6.14	1,62,522
November 2013	6.57	5.75	1,29,905
December 2013	5.90	4.93	2,40,019
January 2014	5.10	4.61	2,02,178
February 2014	5.03	4.42	2,60,977
March 2014	6.12	4.28	4,95,107

f) Registrars and Transfer Agents

Aarathi Consultants Pvt. Ltd.

1-2-285, Domalguda, Hyderabad- 500 029.

Tel: (040) 27642217 / 27638111, Fax: (040) 27632184

Email: info@aarthiconsultants.com

g) Share Transfer System

SEBI has vide its circular dated 27.12.2002, directed that all work relating to share registry, both physical and demat should be maintained at a single point. Accordingly, the Share Transfers, both physical and demat form, are done by the Registrar and Share Transfer Agents i.e., M/s. Aarathi Consultants Private Limited, Domalguda, Hyderabad. The requests received for transfer of shares in physical form are generally completed within the stipulated time.

(A) Share Holding Pattern as on 31.03.2014

Category code	Category of Shareholder	Number of Shareholders	Total Number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total		Shares pledged or otherwise encumbered number of shares	
					As a Percentage of (A+B)1	As a Percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VII)	(IX)=(VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/Hindu Undivided Family	7	9767721	9767721	19.05	19.05	5346017	54.73
	Sub Total (A)(1)	7	9767721	9767721	19.05	19.05	5346017	54.73
2	Foreign Promoters	0	0	0	0	0	0	0
	Sub Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	7	9767721	9767721	19.05	19.05	5346017	54.73
B1	Public Shareholding							
(a)	Foreign Institutional Investors	5	7369450	7369450	14.37	14.37	0	0
	Sub Total (B)(1)	5	7369450	7369450	14.37	14.37	0	0
B2	Non-Institutions							
(a)	Bodies Corporate	186	6594741	6547695	12.86	12.86	0	0
(b)	Individuals							
(I)	Individual shareholders holding nominal share capital upto Rs.1 lakh	8384	6280365	5971798	12.25	12.25	0	0
(II)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	247	17281959	13413590	33.7	33.7	0	0
(d-i)	Non Resident Individuals	72	2515741	2444441	4.91	4.91	0	0
(d-ii)	Overseas Corporate Bodies	1	10000	0	0.02	0.02	0	0
(d-v)	Clearing Members	42	181795	181795	0.35	0.35	0	0
(d-vi)	Foreign Nationals	1	1276102	1276102	2.49	2.49	0	0
	Sub Total (B)(2)	8933	34140703	29835421	66.58	66.58	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	8938	41510153	37204871	80.95	80.95	0	0
	Total (A)+(B)	8945	51277874	46972592	100	100	5346017	10.43
(C)	Shares held by Custodians and against Depository Receipts have been issued							
1.	Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public Shareholding	0	0	0	0	0	0	0
	Grand Total (A)+(B)+(C)	8945	51277874	46972592	100	100	5346017	10.43

Distribution of Shareholding as on 31.03.2014

Sl.No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5000	6301	70.44	1566225	15662250	3.04
2	5001 - 10000	1048	11.72	926237	9262370	1.81
3	10001 - 20000	563	6.29	917155	9171550	1.79
4	20001 - 30000	269	3.01	700762	7007620	1.37
5	30001 - 40000	114	1.27	415622	4156220	0.81
6	40001 - 50000	129	1.44	623404	6234040	1.22
7	50001 - 100000	217	2.43	1651186	16511860	3.22
8	100001 & Above	304	3.40	44477283	444772830	86.74
	Total:	8945	100.00	51277874	512778740	100.00

12. Dematerialisation of Shares and Liquidity

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE 371B01015. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. Over 91.60% of the Company's shares up to 31st March 2014 are now held in electronic form. Shares of the Company are actively traded in Bombay Stock Exchange, and hence have good liquidity. The list of depository participants is available with the National Securities Depository Limited (NSDL) at www.nsdl.co.in.

Particulars	No. of Shares	% Share Capital
NSDL	3,16,11,941	61.65
CDSL	1,53,60,651	29.95
PHYSICAL	43,05,282	8.40
Total	5,12,77,874	100.00

13. Address for Correspondence

Registered office : # 8-3-833/173, Kamalapuri Colony, Phase II, Hyderabad 500 073
R & T Agent : Aarathi Consultants Pvt. Ltd.
 1-2-285, Domalguda, Hyderabad- 500 029.
 Tel: (040) 27642217/27638111
 Fax: (040) 27632184
 Email: info@aarthiconsultants.com

On behalf of the Board

Place: Hyderabad
 Date: 14.08.2014

Sd/-
 N. Satish Kumar
 Managing Director

Sd/-
 K. Radha Krishna
 Director -Finance & CFO

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, N Satish Kumar, Chief Executive Officer and K Radha Krishna, Chief Financial Officer of Southern Online Biotechnologies Limited hereby certify to the best of our knowledge and belief certify that;

1. We have reviewed the Balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement and the director's report.
2. Based on our knowledge and information these statements do not contain any untrue information of a material fact or omit to state material fact or contain statement that might be misleading.
3. Based on our knowledge and information the financial statements and other financial information included in the report present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal, or violative of the company's code of conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting for the company and have
 - a. Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.
 - b. Evaluated the effectiveness of the company's internal control systems pertaining to financial reporting and
 - c. Disclosed in this report any change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. We have disclosed to the Company's auditors and the Audit Committee of the Company's Board of Directors in regard to
 - a. Significant changes internal controls over financial reporting, if any during the year covered by the report.
 - b. Significant changes in accounting policies during the year, if any and that the same have been disclosed in the financial statements.
 - c. Instances of significant fraud of which we are aware, that involves management or other employees who have significant role in the company's internal control system over financial reporting.

Place: Hyderabad
Date: 14.08.2014

Sd/-
N Satish Kumar
Managing Director

Sd/-
K Radha Krishna
Director Finance & CFO

Auditors' Certificate on Compliance of Corporate Governance

To,

The Members
Southern Online Bio Technologies Ltd
Hyderabad.

We have examined the compliance of conditions of Corporate Governance by M/s. Southern Online Bio Technologies Ltd for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock exchanges.

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 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 and on the basis of our examination described above, we certify that the company has complied with the conditions of corporate Governance as stipulated in the Listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

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

for P. Murali & Co.,
Chartered Accountants

Sd/-

P Murali Mohana Rao
Partner

Place: Hyderabad
Date :30.05.2014

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
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 Company") and its subsidiaries, which comprise the consolidated Balance sheet as at 31st March 2014, and the consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance on internal control relevant to the preparation and presentation of the consolidated financial statements that give 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the over all presentation of the consolidated financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give 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

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Consolidated Statement of Profit & Loss, the Loss for the year ended on that date; And
- (c) In the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date;

For P.Murali & Co.,
Chartered Accountants
FRN: 007257S

Sd/-
P.Murali Mohana Rao
(Partner)
Membership No. 023412

Place : Hyderabad
Date :30.05.2014

CONSOLIDATED

CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH 2014

Particulars	Note No	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	51,27,78,740	34,61,38,150
(b) Reserves and Surplus	2	(39,70,02,004)	(22,63,07,090)
(c) Minority Interest		1,030	1,030
(2) Share application money pending for allotment	3	7,71,54,170	16,09,40,593
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	135,12,13,555	91,34,82,037
(b) Deffered tax liabilities (Net)	5	3,59,59,554	11,79,40,111
(c) Other Long term liabilities	6	-	4,71,25,850
(4) Current Liabilities			
(a) Short-term borrowings	7	14,27,59,867	45,91,91,998
(b) Trade payables	8	43,70,27,487	19,48,81,495
(c) Short-term provisions	9	1,22,19,179	2,41,37,381
Total		217,21,11,578	203,75,31,555
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	122,98,03,823	127,06,00,931
(ii) Intangible assets	11	2,76,00,016	3,13,88,016
(iii) Capital work in Progress		46,28,076	46,28,076
(b) Long term loans and advances	12	1,18,84,852	1,05,83,552
(c) Other non-current assets	13	4,84,94,866	5,15,62,004
(2) Current assets			
(a) Inventories	14	34,85,62,240	21,18,43,214
(b) Trade receivables	15	35,91,63,719	37,70,29,896
(c) Cash and cash equivalents	16	6,39,80,028	2,57,17,169
(d) Short-term loans and advances	17	7,79,93,958	5,41,78,697
Total		217,21,11,578	203,75,31,555
Summary of Significant Accounting Policies		27	
The accompanying Notes are an Integral Part of the Financial Statements			
AS PER OUR REPORT OF EVEN DATE			
For P.Murali & Co., Chartered Accountants Firm Regn No 007257S Sd/- P. Murali Mohana Rao. Partner. M.No: 023412 Place : Hyderabad Date : 30.05.2014.		For Southern Online Bio Technologies Ltd. Sd/- N. Satish Kumar. Managing Director. Sd/- G. Anupama. Company Secretary K. Radha Krishna. Director Finance & CFO.	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014.

Particulars	Note No	For the year ended 31.03.2014	For the year ended 31.03.2013
		(Rupees)	(Rupees)
I. Revenue from operations	18	201,40,12,108	143,06,83,143
II. Other Income	19	11,02,082	27,78,096
III. Total Revenue (I +II)		201,51,14,190	143,34,61,239
<i>IV. Expenses:</i>			
Cost of materials consumed	20	87,00,37,993	67,95,49,820
Purchase of Stock-in-Trade		91,94,27,173	57,93,15,224
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(5,38,02,201)	(10,35,45,517)
Employee benefit expense	22	2,71,88,858	1,78,07,722
Other Operating expenses	23	17,32,41,116	13,93,29,231
Administrative Expenses	24	3,14,68,973	2,93,65,983
Financial costs	25	18,31,56,055	11,32,97,107
Depreciation and amortization expense	10 & 11	7,60,73,790	2,71,86,149
Other expenses	26	4,09,97,905	1,15,89,927
Total Expenses		226,77,89,662	149,38,95,646
V. Profit before exceptional and extraordinary items and tax (III - IV)		(25,26,75,472)	(6,04,34,407)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(25,26,75,472)	(6,04,34,407)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(25,26,75,472)	(6,04,34,407)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(8,19,80,557)	3,57,75,534
XI. Profit(Loss) from the period from continuing operations (IX - X)		(17,06,94,915)	(9,62,09,941)
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)	-	(17,06,94,915)	(96,209,941)
XVI. Earning per equity share:			
(1) Basic		(4.93)	(1.75)
(2) Diluted		-	-
Summary of Significant Accounting Policies	27		
The accompanying Notes are an Integral Part of the Financial Statements			
AS PER OUR REPORT OF EVEN DATE			
For P.Murali & Co., Chartered Accountants Firm Regn No 007257S Sd/- P. Murali Mohana Rao. Partner. M.No: 023412 Place : Hyderabad Date : 30.05.2014.		For Southern Online Bio Technologies Ltd. Sd/- N. Satish Kumar. Managing Director. Sd/- G. Anupama. Company Secretary	Sd/- K. Radha Krishna. Director Finance & CFO.

NOTE NO. 1 : SHARE CAPITAL

S. No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		No. of Shares	Amount (Rs)	No. of Shares	Amount (Rs)
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	5,12,77,874	51,27,78,740	3,46,13,815	34,61,38,150
	(c) Subscribed & Fully Paid Up	5,12,77,874	51,27,78,740	3,46,13,815	34,61,38,150
	(d) Par value per share Rs. 10				
	Total Equity Share capital		51,27,78,740		34,61,38,150
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		3,46,13,815		3,46,13,815
	Issued during the year - Pref Issue		1,66,64,059		-
	Forfeited / Bought Back during the year				
	At the end		5,12,77,874		3,46,13,815
	At the Beginning		NIL		NIL
	Issued during the year - Bonus Issue		NIL		NIL
	Issued during the year - Cash Issue		NIL		NIL
	Issued during the year - ESOP		NIL		NIL
	Forfeited / Bought Back during the year		NIL		NIL
	At the end		NIL		NIL
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. SatishKumar No. of Shares (C.Y)52,71,292, No. of Shares ((P.Y)21,76,792.		10.28		6.29
	(b) Share Holder -National West Minister Bank PLC as Trustee of Jupiter Ind - No. of Shares - No. of Shares (P.Y)20,00,000.		-		5.78
	(c) Share Holder - Mavi Investments - No. of Shares (P.Y)18,90,618.		-		5.46
	(d) Share Holder- Al Sried Company For Trade Ltd, - No of shares (C.Y) 34,06,769.		6.64		-
	(e) Share Holder -The Indiaman Fund Mauritius Limited, - No of shares (C.Y) 26,64,325.		5.20		-

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		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: Utilized during the year	-	-
		25,31,87,500	25,31,87,500
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(51,61,55,367)	(41,99,45,426)
	Add: Transfer from Profit & Loss Account	(17,06,94,915)	(9,62,09,941)
		(68,68,50,282)	(51,61,55,367)
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: Utilized 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
		34,97,777	34,97,777
	Total Reserves and Surplus	(39,70,02,004)	(226,307,090)

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

S. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Share Application Money	16,09,40,593	6,25,00,000
	Add : Received during the year	8,28,54,167	9,84,40,593
	TOTAL SHARE APPLICATION MONEY	24,37,94,760	16,09,40,593
	Less: Allotment of Equity Shares.	16,66,40,590	-
	Balance Share Application Money	7,71,54,170	16,09,40,593

NOTE NO. 4 : LONG TERM BORROWINGS

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured		
	Bank of India, Banjara Hills - Loan for Flats (Secured by Hypothecation of the Flats of the company)	34,47,761	32,87,209
	Bank of India, Banjara hills - Term Loan. (Secured by total Plant & Machinery of the company)	-	5,32,452
	Vehicle Loans.- SBH (Hypothecation of Vehicle of the company)	-	2,90,788
	Vehicle Loan - PNB (Hypothecation of Vehicle of the company)	11,12,773	-
	Vehicle Loan - HDFC Bank (Hypothecation of Vehicle of the company)	7,26,671	-
	Vehicle Loan - ICICI Bank (Hypothecation of Vehicle of the company)	9,63,610	-
	TERM LOANS - (BOI, SBH, UCO, PNB) (Secured by total Plant & Machinery of the company)	128,33,50,981	84,49,09,830
	From other parties:		
	Unsecured	6,16,11,759	6,44,61,758
	Total long term borrowings	135,12,13,555	91,34,82,037

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Opening Deferred tax Liability	1,179,40,111	8,21,64,577
	Add : Deferred Tax Liability for the year. (Due to SLM and WDV Difference)	(8,19,80,557)	3,57,75,534
	Deferred Tax Liability/ (Asset) - Net	3,59,59,554	11,79,40,111

NOTE NO. 6 : OTHER LONG TERM LIABILITES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03,2013
		Rupees	Rupees
I	Trade Payables & Others	-	61,79,479
	Advance from Customers	-	1,00,70,531
	Other Liabilities	-	3,08,75,840
	Total other long term liabilities	-	4,71,25,850

NOTE NO. 7 : SHORT TERM BORROWINGS.

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured	14,27,59,867	29,92,13,998
	b) Other loans and advances		
	Secured	-	15,99,78,000
	Total short term borrowings	14,27,59,867	45,91,91,998

NOTE NO. 8 : TRADE PAYABLES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	a) Trade Payables	43,70,27,487	19,48,81,495
	Total Trade Payables	43,70,27,487	19,48,81,495

NOTE NO. 9 : SHORT TERM PROVISIONS

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	a) Provisions for employee benefits		
	PF Payable	4,09,733	23,84,114
	Salaries Payable	37,44,300	48,46,517
	b) Others		
	Statutory Liabilities	39,78,461	1,34,11,913
	Provision for Expenses	40,86,685	34,94,837
	Total short term provisions	1,22,19,179	2,41,37,381

Note Number : 10 & 11
FIXED ASSETS AS ON 31st March, 2014 (Consolidated)

Sl. No.	Particulars	Gross Block						Depreciation/Amortization				Net Block as on 31.03.2013	
		As on 01.04.2013	Additions during the year	Additions through Business acquisitions	Capitalized during the year	Sale / Deletions during the year	As on 31.03.2014	Rate of Depreciation	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Impairment Loss/ Reversal of Impairment Loss for the Year		Total Depreciation
1	Land	5,46,49,032	-	-	-	-	5,46,49,032	0.00%	-	-	-	-	5,46,49,032
2	Building	16,95,89,490	-	-	-	-	16,95,89,490	3.34%	1,33,89,229	56,64,298	-	1,90,53,725	15,05,35,765
3	Plant & Machinery	118,04,70,286	2,68,32,846	-	-	-	120,73,03,132	5.28%	14,31,63,806	6,28,71,199	-	2,06,03,500	100,12,68,127
4	Office Equipment	35,37,865	4,42,363	-	-	-	41,59,128	6.33%	11,10,406	2,40,213	-	13,50,619	28,08,509
5	Computers	8,44,07,835	9,18,389	-	-	-	8,51,47,324	16.21%	8,24,56,575	12,17,895	-	8,36,74,470	14,72,854
6	Furniture & Fixtures	61,08,303	25,500	-	-	-	61,33,803	6.33%	21,07,836	3,88,137	-	24,95,973	36,37,830
7	Vehicles	1,86,71,445	42,39,938	-	-	14,76,715	2,14,34,668	9.50%	46,05,473	19,04,048	5,06,559	60,02,962	1,54,31,706
		151,74,34,256	3,24,59,036	-	-	14,76,715	154,84,16,577		2,468,33,325	7,22,85,790	5,06,559	31,86,12,754	122,98,03,823
8	Intangible Fixed asset	-	-	-	-	-	-	-	-	-	-	-	-
	Technical Know-how	78,96,908	-	-	-	-	78,96,908	20.00%	78,96,908	-	-	78,96,908	-
	Pre-Issue Expenses	3,91,16,017	-	-	-	-	3,91,79,918	0.00%	77,38,000	37,88,000	-	1,15,26,000	2,76,00,016
		4,70,12,925	-	-	-	-	4,70,76,826		1,56,34,908	37,88,000	-	1,94,22,908	2,76,00,016
9	Capital Work In Progress	46,28,076	-	-	-	-	46,28,076	0.00%	-	-	-	-	46,28,076
		156,90,75,257	3,24,59,036	-	-	14,76,715	160,01,21,479		26,24,68,233	7,60,73,790	5,06,559	33,80,35,662	126,20,31,915
	Total												1,30,66,17,023

NOTE NO. 12 : LONG TERM LOANS AND ADVANCES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Long - term loans and advances:	-	-
	a) Security Deposit	-	-
	Secured	1,18,84,852	1,05,83,552
	Total Long term loans & advances (net)	1,18,84,852	1,05,83,552

NOTE NO.13 : OTHER NON - CURRENT ASSETS

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Long term Trade receivable. (Including trade receivables on deferred credit basis) Unsecured considered good	4,84,94,866	5,15,62,004
	Total non - current assets (net)	4,84,94,866	5,15,62,004

NOTE NO. 14 : INVENTORIES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Inventories :		
	a) Raw materials		
	Palm Steraine	2,28,14,425	9,67,229
	Mutton Tallow	1,21,35,914	87,91,064
	Rice Bran Oil.	10,32,282	1,28,40,843
	Used Cooking Oil.	3,04,44,526	1,46,49,058
	Palm Sludge Oil	-	13,13,160
	RB Acid oil.	13,31,258	-
	Seeds.	1,57,363	1,57,363
	Fatty Acid Oil.	3,26,09,934	9,87,760
	Chemicals & Consumables	1,06,25,841	1,27,81,286
	Sub Total	11,11,51,543	5,24,87,763
	b) Work - in - progress		
	Biodiesel.	6,45,645	26,62,776
	Sub Total	6,45,645	26,62,776
	c) Finished goods		
	Biodiesel.	5,62,02,337	5,96,97,304
	Glycerine.	6,22,60,110	5,37,27,547
	Oil Cake.	-	2,78,07,700
	Rice Bran Oil.	7,90,89,725	23,56,575
	Biodiesel Resedue.	-	26,10,716
	Sludge and Fatty Acid.	53,34,146	8,67,144
	Sub Total	20,28,86,318	14,70,66,986
	d) Stores and spares	3,38,78,734	96,25,689
	Total Inventories	34,85,62,240	21,18,43,214

NOTE NO. 15 : TRADE RECEIVABLES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Unsecured, Considered Good (Less than six months)	35,91,63,719	37,70,29,896
	Total Trade Receivables(net)	35,91,63,719	37,70,29,896

NOTE NO. 16 : CASH AND BANK BALANCES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Cash and cash equivalents :		
	a) Balances with banks : On Current Accounts	6,29,35,528	2,56,50,417
	b) Cash in hand	10,44,500	66,752
	Total Cash and Cash Equivalents	6,39,80,028	2,57,17,169

NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Short - Term Loans and Advances:		
	a) Security Deposit		
	Secured - LC Margin	4,92,20,965	3,68,53,000
	b) Other loans & advances		
	Raw Material Advances etc.,	1,46,32,384	11,89,800
	Loans and Advances-Others	1,41,40,609	1,61,35,897
	Total short term loans & advances	7,79,93,958	5,41,78,697

NOTE NUMBERS TO STATEMENT OF CONSOLIDATED PROFIT & LOSS A/C
NOTE NO. 18 : REVENUE FROM OPERATIONS

Sl. No.	Particulars	For the year ended	
		As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Revenue from operations		
	(a) Sale of Products (Domestic)	95,07,76,204	55,04,51,266
	(b) Export Sale of Products	33,95,55,941	15,69,28,825
	(c) Export Sale (Outside India Stock in Trade)	67,00,17,508	66,28,47,346
	(d) Sale of Services	4,27,95,073	3,27,77,117
	(e) Other Operating Revenues	1,43,00,000	3,13,78,440
	Less: Excise Duty.	34,32,618	36,99,851
	Total Revenue from Operations	201,40,12,108	143,06,83,143

NOTE NO. 19 : OTHER INCOME

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Other non-operating income. (net of expenses directly attributed to such income)	11,02,082	1,98,779
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	25,79,317
	Total Other Income	11,02,082	27,78,096

NOTE NO. 20 : COST OF MATERIALS CONSUMED

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	Material		
	Palm Steraine	10,53,06,535	16,15,96,060
	Mutton Tallow	24,12,13,515	17,85,55,226
	Cotton Seed Oil.	-	43,66,125
	Rice Bran Oil.	55,36,38,465	11,17,14,941
	Used Cooking Oil.	78,22,24,484	72,30,96,394
	Palm Sludge Oil	74,78,574	-
	RB Acid oil.	17,01,343	-
	Fatty Acid Oil.	2,57,36,286	2,03,86,270
	Chemicals	5,97,45,964	34,750,028
		177,70,45,166	123,44,65,044
	IROAF Sub contract Expenses	1,24,20,000	2,44,00,000
		1,24,20,000	2,44,00,000
	Total Cost Of Material Consumed	178,94,65,166	125,88,65,044

NOTE NO.21: CHANGES IN INVENTORIES & WIP.

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	Finished Goods		
	Finished goods at the beginning of the year	14,70,66,986	4,53,33,959
	Less : Finished goods at the end of the year	20,28,86,318	1,470,66,986
	Sub Total (A)	(5,58,19,332)	(10,17,33,027)
II	Work in Progress		
	Work in progress at the beginning of the year	26,62,776	8,50,286
	Less : work in progress at the end of the year	6,45,645	26,62,776
	Sub Total (B)	20,17,131	(18,12,490)
	(Increase) / Decrease in Inventories (A+B)	(5,38,02,201)	(10,35,45,517)

NOTE NO.22: EMPLOYEE BENEFIT EXPENSES (AGGREGATE EXPENDITURE)

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Salaries & Wages	1,88,91,643	1,15,45,006
	(b) Contribution to Provident & Other Funds	31,01,556	19,70,178
	(c) Staff Welfare Expenses	51,95,659	42,92,538
	Total Employee Benefit Expenses	2,71,88,858	1,78,07,722

NOTE NO. 23 : OTHER OPERATING EXPENSES

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Consumption of Chemicals , Stores & Spares	45,93,281	31,54,942
	(b) Power & Fuel	7,00,38,338	4,37,78,679
	(c) Rent (cable)	83,990	8,21,854
	(d) Repairs to Machinery	59,37,196	43,51,966
	(e) Insurance	20,52,566	24,40,781
	(f) Rates & Taxes (Excluding Income Tax)	13,68,933	4,31,579
	(g) Bandwidth	2,47,38,374	1,80,07,595
	(h) Other Mfg Expenses	1,07,21,983	2,06,90,150
	(i) Factory Wages	2,20,45,161	1,70,01,075
	(j) Shipping Charges	3,15,36,294	2,85,50,610
	(k) Payment to Auditors		
	(i) As Auditor	65,000	40,000
	(ii) For Taxation Matters	20,000	20,000
	(iii) For Company Law Matters	20,000	20,000
	(iv) For Management Services	20,000	20,000
	Total Other Expenses	17,32,41,116	13,93,29,231

NOTE NO. 24 : ADMINISTRATIVE EXPENSES

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Telephone, Postage and Others	27,06,723	18,39,509
	(b) Business Promotion Expenses	10,000	24,481
	(c) Travelling & Conveyance	1,05,90,607	1,20,44,699
	(d) Office Maintenance	22,77,252	14,39,976
	(e) Printing & Stationery Expenses	4,28,452	2,86,668
	(f) Security Charges	8,32,252	7,92,562
	(g) Rent ,Rates & Taxes (excluding Income Tax)	32,09,796	28,53,089
	(h) Managerial Remuneration	55,20,000	55,20,000
	(i) Consultancy Charges	46,88,497	24,49,021
	(j) General Expenses	4,09,461	11,30,181
	(k) Director's Sitting Fee / Board Meeting Expenses	7,95,933	9,85,797
	Total Administrative Expenses	3,14,68,973	2,93,65,983

NOTE NO. 25 : FINANCE COST

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Interest Expenses :		
	- Interest on Cash Credit	2,76,69,323	3,60,18,070
	- Interest on Car Loan / Term Loan	11,23,84,832	6,17,54,194
	- Loan processing Charges & Bank Charges	3,09,90,661	99,33,799
	- CDR - Facilitation Charges	1,21,11,239	
	(b) Other Borrowing costs	-	55,91,044
	Total Finance Cost	18,31,56,055	11,32,97,107

NOTE NO. 26 : OTHER EXPENSES

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	Other expenses		
	General Expenses	-	20,246
	Loss on Sale of Vehicles.	3,30,156	-
	Advertisements	51,202	15,000
	Collection Expenses	2,24,621	2,28,000
	Commission & Discounts	2,28,16,727	75,23,070
	Freight Charges - Outward & Insurance	1,26,20,715	46,180
	Business Promotion Expenses	49,54,484	37,57,431
	Total Other expenses	4,09,97,905	1,15,89,927

Summary of Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2014.

1. Corporate information :

Southern Online Bio Technologies Limited was originally incorporated as Southern Online Services Private Limited vide certificate of incorporation No.01-30463 dated 9th November 1998 with Registrar of Companies, Hyderabad and subsequently converted into a Public Limited Company on 4th January 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 share are listed at Bombay Stock Exchange Limited.

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. The first unit is located at Samsthan Narayanpur (v), Nalgonda Dist, Telangana. The Second Biodiesel unit with a capacity of 250 TPD is located at APIIC, SEZ, Vishakapnam, Andhra Pradesh.

2. Principles of Consolidation:

The consolidated financial statements related to Southern Online Bio Technologies Limited ("The Company") and its Subsidiary Company. The Consolidated financial statements has been prepared on the following basis:

- a) The financial statements and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transaction in accordance with Accounting Standards 21-' Consolidated Financial Statements'.

The Subsidiary Company considered in the Consolidated Financial statements is:

S.No.	Name	Country of incorporation	Ownership interest
1	Southern Biofe Biofuels Pvt Ltd	India	99.97%

Summary Significant Accounting Policies

General:

(i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

(ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

(iii) 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 disclosure 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 in hand and demand deposits with banks. Cash equivalent 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

Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

Investments

Investments are classified into Current and long-term 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 purpose 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. However the Company is making payment on accrual basis from time to time.

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.

Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a charge in the estimate of recoverable amount.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a Contingent obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS:

27. Share Capital:

- The Equity Share Capital of the company as on 31st March, 2014 is 5,12,77,874 Equity Shares of Rs. 10/- each fully paid up.

During the year:

- During the year 2013-14, an amount of Rs. 7,71,54,140/- (77,15,414 equity shares of Rs 10/- each fully paid up) was received towards Share application money pending for allotment.

28. Contingent Liabilities :

i. Bank Guarantees:

The Company has outstanding guarantees and counter guarantees of Rs.1,89,98,799/- as on 31.03.2014 (previous year ended 31.3.2013 is Rs.1,78,98,799/-) to bank, in respect of the guarantees given by the bank in favour of The President of India, Government of India, acting through the Telegraph Authority, and Ministry of Railways, Indian Railways Organization for Alternative Fuels (IROAF).

ii. Letters of Credits

The Company has outstanding Letter of Credit to the extent of Rs 46,41,21,151/- as on 31.03.2014.

iii. Right to Recompense (ROR)

- a) ROR to CDR lenders for the relief and sacrifice extended is subject to the provisions of CDR guidelines and MRA
- b) As per CDR package the ROR amount for the year 2013-14 is Rs 6.97cr.

29. Secured Loans

- a) The Company's ISP Division has Over Draft facility to the tune of Rs 35Lakhs with Bank of India which is secured against book debts of the company.
- b) The Company's Bio Diesel Division has Working Capital facility to the tune of Rs 4546 Lakhs which is secured against Stocks and book debts of the company.
- c) The working of your company was adversely affected due to insufficient working capital which resulted in to low capacity utilisation. To get the required working capital and to overcome the adverse effects of low capacity utilisation. Your Company made a reference to the CDR cell through Bank of India for restructuring of the debts of the Company and to have the required working capital limits for the company through CDR mechanism envisaged under RBI guidelines dated August 23, 2001 and subsequent amendments thereto. The CDR Empowered Group (CDR-EG) approved a restructuring scheme in terms of which the existing facilities were restructured in October 2013 and also approved the demerger of Internet Service provider and Bio diesel businesses. The Company had executed the Master Restructuring Agreement in February 2014 (the MRA) with CDR Lender in furtherance of CDR scheme, besides various other related documents as envisaged under the CDR scheme. The cut off date is 1st April 2013. The CDR proposal includes a two year moratorium on principal and term debt interest payments and approximately 3% reduction in interest rates. In terms of CDR scheme, the promoters (on their own or together with friends, relatives and associates) are required to bring in equity to the extent of Rs 6.23 Cr into the Company within the stipulated time, which has been infused successfully before March 2014.

During the financial year the following credit facilities have been sanctioned/ Restructured by consortium banks under CDR EG (Bank of India, State Bank of Hyderabad, UCO Bank and Punjab National Bank) which is secured by way of charge on the fixed assets of the Company and personal guarantees of the Directors.

- 1) Term Loan - III Restructured to Rs 39.44 Cr
- 2) Term Loan - IV Restructured to Rs 24.52 Cr
- 3) FITL - I Restructured to Rs 10.59 Cr
- 4) WCTL - I Restructured to Rs 22.00 Cr.
- 5) Additional Sanction of FITL - II Rs 24.54 Cr.
- 6) Additional Sanction of WCTL - II Rs 22.45 Cr.
- 7) WCFB enhanced from Rs 12.55 Cr (after WCTL-II Carved) to Rs 45.46 Cr.
- 8) WCNFB enhanced from Rs 36.75 Cr to Rs 80.83 Cr.

Term Loan I and II have been fully paid.

30. Investments

During the year 2004-05 the Company has invested 3,43,097 Equity shares of Rs 10/- each fully paid upto the shareholders of Southern Biofe Biofuels Private Limited as 99.97% subsidiary company and same is approved by Board of Directors. No other investments were made by the Company.

31. Segment Reporting

The activities of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Bio Diesel, Used Cooking Oil trading and Contract and Biodiesel Plant Construction for IROAF at Tondiarpet, Chennai.

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.

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 31.03.2013	ISP		Bio Diesel		Others		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	427.95	327.77	9,369.00	7,036.80	10,343.17	6,942.26	20,140.12	14,306.83
Identifiable Operating Expenses	282.29	206.11	1,392.62	894.94	57.50	292.24	1,732.41	1,393.29
Allocated Expenses	122.19	112.56	9,029.80	6,095.28	9,961.93	6,204.85	19,113.92	12,412.69
Segmental Operating Income	23.47	9.10	(1,053.42)	46.58	323.74	445.17	(706.21)	500.85
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	23.47	9.10	(1,053.42)	46.58	323.74	445.17	(706.21)	500.85
Interest Expenses	14.59	12.28	1,810.70	1,090.55	6.27	30.14	1,831.56	1,132.97
Other Income	0.26	2.80	(30.31)	1.99	41.07	22.99	11.02	27.78
Net profit before taxes and prior period items	9.14	(0.38)	(2,894.43)	(1,041.98)	358.54	438.02	(2,526.75)	(604.34)
Provision for taxation	(1.51)	5.87	(818.30)	351.15	-	0.73	(819.81)	357.75
Prior period Items	-	-	-	-	-	-	-	-
Net profit after taxes and before exceptional items	10.65	(6.25)	(2,076.13)	(1,393.13)	358.54	437.29	(1,706.94)	(962.09)
Exceptional items	-	-	-	-	-	-	-	-
Profit after tax and exceptional items	10.65	(6.25)	(2,076.13)	(1,393.13)	358.54	437.29	(1,706.94)	(962.09)

Geographical segments

(Rs. In Lakhs)

Revenues	31st March 2014	31st March 2013
India	10,044.39	6,109.07
Outside India	10,095.73	8,197.76
Total	20,140.12	14,306.83

32. 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 asset for an amount of Rs 983.29 lakhs on business loss of the current financial year 2013-14. Such DTA 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 Biodiesel situated at Vizag.

(Rs. in Lakhs)		
Particulars.	As at 31.3.2014	As at 31.3.2013
Deferred Tax Liability		
a) Opening Balance on 01.04.2013	1179.40	821.65
b) Deferred Tax Expense/ Income:		
Differential Depreciation	163.49	355.97
Carried Forward Loss for 2013-14	(983.29)	-
Total (C)	359.59	1177.62

33. Foreign Exchange Earnings

(Rupees)

Particulars.	As at 31.03.2014	As at 31.3.2013
Export of Goods	10,095.73	8,197.76
Total	10,095.73	8,197.76

34. Foreign Exchange Outflow

(Rupees)

Particulars.	31.03.2014	31.3.2013
Foreign Travel	77,81,374	5,32,722
For Purchases	80,18,55,551	65,57,72,786
Membership Fee	Nil	3,21,706
Total	80,96,36,925	65,66,27,214

35. Directors' Remuneration

The Managerial remuneration paid or provided in accordance with Schedule XIII of the Companies Act, 1956 to the Directors is as follows:

(Rupees)

Particulars	31.03.2014	31.03.2013
Salary & Allowances (Whole Time Director)	55,20,000	55,20,000

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

36. Remuneration to Auditors

(Rupees)

Particulars.	31.03.2014	31.03.2013
Audit Fees	1,25,000	1,00,000
Total	1,25,000	1,00,000

37. Details of Quantitative Information:

The activities of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Biodiesel, Used Cooking Oil trading and Contract and Biodiesel 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 under paragraph 3 and 4C of part II of the schedule VI of the Companies Act, 1956. In respect of Biodiesel Division and UCO Merchant Trading the quantitative information is as follows:

Sl. No.	Quantitative Information	2013-14		2012-13	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	280 TPD		280 TPD	
C	Finished Goods				
	Biodiesel				
	Opening Stock	1,374,113	623.60	1,13,830	46.30
	Production During the Year	94,20,680	4,314.61	1,03,53,053	4,809.48
	Sales During the year	97,76,551	4,332.07	90,89,770	4,031.59
	Sludge & Fatty	-	-	3,000	0.30
	Closing Stock of Biodiesel	10,18,242	534.07	13,74,113	623.60
	Glycerine				
	Opening Stock	11,35,164	537.28	8,95,855	396.38
	Production During the Year	7,60,284	324.09	9,21,099	420.12
	Sales During the year	4,27,580	138.36	6,81,790	171.11
	Consumption for Estrified Oil	2,82,304	126.37	-	-
	Closing Stock of Glycerine	11,85,564	652.06	11,35,164	537.28
	Estrified Oil				
	Opening Stock	51,077	23.57	30,429	11.98
	Production During the Year	25,95,777	1,241.20	24,73,642	1,164.91
	Sales During the year	11,99,859	584.57	24,52,994	1,107.65
	Closing Stock of Estrified Oil	14,46,995	795.85	51,077	23.57
	Biodiesel Residue				
	Opening Stock	62,234	26.11	426	0.18
	Production During the Year	-	-	61,808	25.93
	Sales During the year	-	-	-	-
	Consumption for Biodiesel	62,234	26.11	-	-
	Closing Stock of Biodiesel Residue	-	-	62,234	26.11
	Sludge & Fatty Acid Oil				
	Opening Stock	37,773	8.67	33,722	7.00
	Production During the Year	6,56,341	130.44	2,45,966	58.04
	Sales During the year	4,51,560	82.23	2,41,915	52.84
	Closing Stock of Sludge & Fatty Acid Oil	2,45,111	53.34	37,773	8.67
	Processed UCO				
	Opening Stock	5,56,154	278.08	-	-
	Production during the year	54,49,466	2,909.56	37,72,701	1,886.35
	Sales during the year	60,05,620	3,395.56	32,16,547	1,569.29
	Closing stock of processed UCO	-	-	5,56,154	278.08
D	RAW MATERIAL CONSUMED				
	Seeds				
	Opening Stock	14,791	1.57	14,791	1.57
	Purchased During the Year	-	-	-	-
	Sales During the year	-	-	-	-
	Closing Stock of Seeds	14,791	1.57	14,791	1.57
	Tallow				
	Opening Stock	2,00,920	87.91	1,05,123	40.36
	Purchased During the Year	66,16,882	2,445.38	41,96,128	1,833.11

Consumed During the year	64,94,414	2,412.14	4,100,331	1,785.55
Closing Stock of Tallow	3,23,388	121.36	2,00,920	87.91
Palm Steraine				
Opening Stock	27,399	9.67	2,48,517	95.44
Purchased During the Year	28,52,388	1,271.54	46,14,624	1,530.19
Consumed During the year	24,20,461	1,053.07	48,35,742	1,615.96
Closing Stock of Palm Steraine	4,59,326	228.14	27,399	9.67
Fatty Acid Oil				
Opening Stock	30,524	9.88	5,114	1.83
Purchased During the Year	11,45,365	573.58	6,54,835	211.91
Consumed During the year	5,34,909	257.36	6,29,425	203.86
Closing Stock of Fatty Acid Oil	6,40,980	326.10	30,524	9.88
Rice Bran Oil				
Opening Stock	3,02,013	128.41	5,93,838	235.25
Purchased During the Year	1,14,56,169	5,418.29	23,08,904	1,010.30
Sales during the year	91,11,707	4,242.17	-	-
Consumed During the year	26,24,421	1,294.21	26,00,729	1,117.15
Closing Stock of Rice Bran Oil	22,051	10.32	3,02,013	128.41
Used Cooking Oil				
Opening Stock	3,32,676	146.49	1,95,250	75.70
Purchased During the Year	1,78,40,192	7,980.19	33,60,228	1,508.60
Sales during the year	1,35,53,904	6,700.17	-	-
Consumed During the year	39,40,164	1,767.18	32,22,802	1,437.81
Closing Stock of Used Cooking Oil	6,78,800	304.45	3,32,676	146.49
Palm Sludge Oil				
Opening Stock	-	-	-	-
Purchased During the Year	1,69,455	74.79	-	-
Consumed During the year	1,69,455	74.79	-	-
Closing Stock of Palm Sludge Oil	-	-	-	-
R B Acid Oil				
Opening Stock	40,272	13.13	40,272	13.13
Purchased During the Year	34,690	17.19	-	-
Sale of RB Acid Oil	42,055	17.01	-	-
Consumed During the year	-	-	-	-
Closing Stock of R B Acid Oil	32,907	13.31	40,272	13.13
Cotton Seed Oil				
Opening Stock	-	-	1,09,541	43.66
Purchased During the Year	-	-	-	-
Consumed During the year	-	-	1,09,541	43.66
Closing Stock of Cotton Seed Oil	-	-	-	-

38. DETAILS OF RELATED PARTY TRANSACTIONS

The company has entered into the following related party transactions as on 31st March, 2014 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
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter & Director Finance & CFO
Mr.B. Sreedhara Reddy	Promoter & Director Administration
Mr. BHR Balaji	Promoter & Executive Director

b) The following are the related party transactions:

Name of the Party	Relationship	Nature of Transaction	(Rs. In lakhs)	
			Amount 31.03.14	Amount 31.03.13
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	19.20	19.20
Mr. K. Radha Krishna	Promoter & Director Finance & CFO	Remuneration	12.00	12.00
Mr.B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	12.00	12.00
Mr. BHR Balaji	Promoter & Executive Director	Remuneration	12.00	12.00

39. PRIOR PERIOD ITEMS: NIL

40. Confirmations were obtained from debtors/ creditors as to the balances receivable/ payable to them as at year ended 31st March, 2014.

41. 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 earning per share is the weighted average number of shares outstanding during the year.

Particulars.	(Rupees)	
	31.03.2014	31.03.2013
Total No. of Shares outstanding (nos.)	5,12,77,874	3,46,13,815
Total No. of Shares outstanding (weighted Average)	5,12,77,874	3,46,13,815
Profit after taxes before exceptional items	(17,06,94,915)	(6,04,34,407)
Profit after taxes after exceptional items	(17,06,94,915)	(6,04,34,407)
EPS before Non-recurring and exceptional items (Weighted Average)	(3.33)	(1.75)
EPS after Non-recurring and exceptional items (Weighted Average)	(3.33)	(1.75)

42. Previous year figures have been regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,
Chartered Accountants
Firm Regn No 007257S
Sd/-

P. Murali Mohana Rao.
Partner.
M.No: 023412
Place : Hyderabad
Date : 30.05.2014.

For Southern Online Bio Technologies Ltd.
Sd/-
N. Satish Kumar. K. Radha Krishna.
Managing Director. Director Finance & CFO.
Sd/-
G. Anupama.
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

PARTICULARS	Year Ended 31.03.2014 (Rs in Lacs)	Year Ended 31.03.2013 (Rs in Lacs)
A . CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(2,526.75)	(604.34)
Adjustments for:		
Depreciation	722.86	229.58
Written off Expense	37.88	42.28
Interest	1,831.56	1,132.97
Operating Profit before working capital charges	65.54	800.49
Increase in Loans and Advances	(251.17)	696.26
Trade and other receivables	209.33	(2,158.80)
Inventories	(1,367.19)	(970.57)
Trade payables	1,831.02	1,132.05
Cash generated from operations	487.54	(500.57)
Interest paid	1,831.56	1,132.97
Cash flow before extraordinary items - (A)	(1,344.02)	(1,633.54)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	(37.88)	(105.00)
Purchase of Fixed Assets	324.59	1,434.30
Net cash used in investing activities - (B)	286.71	1,329.30
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / decrease in Secured Loans	1,212.99	1,830.40
Increase in Share Application amount	800.36	984.41
Net Cash used in Financing activities - (C)	2013.36	2814.81
Net increase in cash and cash equivalents - (A-B+C)	382.63	(148.03)
Cash and Cash equivalents as at (Opening Balance)	257.17	405.20
Cash and Cash equivalents as at (Closing Balance)	639.80	257.17

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD.

 For P.Murali & Co.,
Chartered Accountants
Firm Regn No 007257S
Sd/-

 P. Murali Mohana Rao.
Partner.
M.No: 023412
Place : Hyderabad
Date : 30.05.2014.

 For Southern Online Bio Technologies Ltd.
Sd/-
N. Satish Kumar.
Managing Director.

 Sd/-
G. Anupama.
Company Secretary

 K. Radha Krishna.
Director Finance & CFO.



**STANDALONE
FINANCIAL
SECTION**

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INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To The Members

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

We have audited the accompanying financial statements of SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss Account 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 Consolidated Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit & Loss, the Loss for the year ended on that date; And
- (c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date;

Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a Statement on the matters specified in paragraph 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) We have 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 Cash Flow statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the companies Act, 2013
- e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the companies Act, 1956.

For P.Murali & Co.,
Chartered Accountants
FRN: 007257S

Sd/-
P.Murali Mohana Rao
(Partner)
Membership No. 023412

Place : Hyderabad
Date : 30.05.2014

ANNEXURE TO THE AUDITORS' REPORT

- I.** (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical presence have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II.** (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III.** (a) The Company has not granted loans secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted loans, the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 is prejudicial to the interest of the company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties is not applicable.
- (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence the clause is not applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which the loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of the company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest and principal amount to parties is not applicable to the company.
- IV.** In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of products and services and other operating revenues. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V.** (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in

respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.

- (b) According to the information and explanations given to us, as no such contracts or arrangements are made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.

- VI.** The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us no order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has been received by the Company.
- VII.** In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII.** We have broadly verified the books of accounts and records maintained by the Company pursuant to the Order made by the Central Government for the maintenance of the cost records under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- IX.** (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Cess, and other applicable statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of PF, ESI, Income Tax Sales Tax, Cess or any other statutory dues which have not been deposited on account of any dispute.
- X.** The Company has been registered for a period of more than 5 years, and the company has got accumulated losses at the end of the financial year and the company has incurred cash losses in this financial year and in the immediately preceding financial year.
- XI.** According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII.** According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII.** This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi / Mutual Benefit Fund/Societies.
- XIV.** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV.** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.

- XVI.** According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the company.
- XVII.** According to the information given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment during the audit period.
- XVIII.** According to the information and explanations given to us, the Company has made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956. In our opinion, the prices at which shares have been issued are not prejudicial to the interest of the company.
- XIX.** According to the information and explanations given to us, the company has not issued debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P.Murali & Co.,
Chartered Accountants
FRN: 007257S

Place : Hyderabad
Date : 30.05.2014

Sd/-
P.Murali Mohana Rao
(Partner)
Membership No. 023412

STAND ALONE BALANCE SHEET AS AT 31 ST MARCH 2014

Particulars	Note No	As at 31.03.2014 (Rupees)	As at 31.03.2013 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	51,27,78,740	34,61,38,150
(b) Reserves and Surplus	2	(39,70,02,005)	(22,63,07,090)
(2) Share application money pending for allotment	3	7,71,54,170	16,09,40,593
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	1,34,97,76,780	91,20,45,262
(b) Deferred tax liability (Net)	5	3,59,59,554	11,79,40,111
(c) Other Long term liabilities	6	-	4,71,25,850
(4) Current Liabilities			
(a) Short-term borrowings	7	14,27,59,867	4,591,91,998
(b) Trade payables	8	43,70,27,487	19,48,81,495
(c) Short-term provisions	9	1,21,05,772	2,40,23,974
Total		217,05,60,366	203,59,80,343
II.Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	122,96,24,923	127,04,22,031
(ii) Intangible assets	11	2,75,46,114	3,13,34,114
(b) Non-current investments	12	34,30,970	34,30,970
(c) Deferred Tax asset (Net)		-	-
(d) Long term loans and advances	13	1,18,84,852	1,05,83,552
(e) Other non-current assets	14	4,84,94,866	5,15,62,004
(2) Current assets			
(a) Inventories	15	34,85,62,240	21,18,43,214
(b) Trade receivables	16	35,91,63,719	37,70,29,896
(c) Cash and cash equivalents	17	6,39,80,028	2,57,17,169
(d) Short-term loans and advances	18	7,78,72,654	5,40,57,393
(e) Other current assets			
Total		217,05,60,366	203,59,80,343

Summary of Significant Accounting Policies

28

The accompanying Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,

Chartered Accountants

Firm Regn No 007257S

Sd/-

P. Murali Mohana Rao.

Partner.

M.No: 023412

Place : Hyderabad

Date : 30.05.2014.

For Southern Online Bio Technologies Ltd.

Sd/-

N. Satish Kumar.

Managing Director.

Sd/-

K. Radha Krishna.

Director Finance & CFO.

Sd/-

G. Anupama.

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014.

Particulars	Note No	For the year ended 31.03.2014 (Rupees)	For the year ended 31.03.2013 (Rupees)
I. Revenue from operations	19	201,40,12,108	143,06,83,143
II. Other Income	20	11,02,082	27,78,096
III. Total Revenue (I +II)		201,51,14,190	143,34,61,239
IV. Expenses:			
Cost of materials consumed	21	87,00,37,993	67,95,49,820
Purchase of Stock-in-Trade		91,94,27,173	57,93,15,224
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(5,38,02,201)	(10,35,45,517)
Employee benefit expense	23	2,71,88,858	1,78,07,722
Other operating expenses	24	17,32,41,116	13,93,29,231
Administrative Expenses	25	3,14,68,973	2,93,65,983
Financial costs	26	18,31,56,055	11,32,97,107
Depreciation and amortization expense	10 & 11	7,60,73,790	2,71,86,149
Other expenses	27	4,09,97,905	1,15,89,927
Total Expenses		226,77,89,662	149,38,95,646
V. Profit before exceptional and extraordinary items and tax (III - IV)		(25,26,75,472)	(6,04,34,407)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		(25,26,75,472)	(6,04,34,407)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(25,26,75,472)	(6,04,34,407)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(8,19,80,557)	3,57,75,534
XI. Profit(Loss) from the period from continuing operations (IX - X)		(17,06,94,915)	(9,62,09,941)
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)	-	(17,06,94,915)	(9,62,09,941)
XVI. Earning per equity share:			
(1) Basic		(4.93)	(1.75)
(2) Diluted			
Summary of Significant Accounting Policies	28		
The accompanying Notes are an Integral Part of the Financial Statements			
AS PER OUR REPORT OF EVEN DATE			
For P.Murali & Co.,		For Southern Online Bio Technologies Ltd.	
Chartered Accountants		Sd/-	
Firm Regn No 007257S		N. Satish Kumar.	K. Radha Krishna.
Sd/-		Managing Director.	Director Finance & CFO.
P. Murali Mohana Rao.		Sd/-	
Partner.		G. Anupama.	
M.No: 023412		Company Secretary	
Place : Hyderabad			
Date : 30.05.2014.			

NOTE NO. 1 : SHARE CAPITAL

S. No.	Particulars	As at 31.03.2014		As at 31.03.2013	
		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	5,12,77,874	51,27,78,740	3,46,13,815	34,61,38,150
	(c) Subscribed & Fully Paid Up	5,12,77,874	51,27,78,740	3,46,13,815	34,61,38,150
	(d) Subscribed & not Fully Paid Up	-	-	-	-
	(e) Par value per share Rs. 10				
	Total Equity Share capital		51,27,78,740		34,61,38,150
b	Preference shares at the beginning as per class of shares	-	-	-	-
	Add : Issued/Repaid During the year	-	-	-	-
	Less : Repaid During the year	-	-	-	-
	Preference shares at the end of the Year	-	-	-	-
	Total Share capital		51,27,78,740		34,61,38,150
c.	calls unpaid :				
	Equity Shares		-		-
	By Directors		-		-
	By Officers		-		-
d.	Forfeited shares (amount originally paid up)		-		-
e	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:				
	Equity Shares of Rs.10 Each, Fully paid up :				
	At the Beginning		3,46,13,815		3,46,13,815
	Issued during the year - Bonus Issue		-		-
	Issued during the year - Cash Issue		-		-
	Issued during the year - ESOP		-		-
	Issued during the year - Pref Issue		1,66,64,059		-
	Forfeited / Bought Back during the year		-		-
	At the end		5,12,77,874		3,46,13,815
f	Details of Shareholder holding more than 5% shares of the company:				
	Equity Shares of Rs. 10 each Held By				
	(a) Share Holder - N. Satish Kumar No. of Shares (C.Y)52,71,292, No. Of Shares ((P.Y)21,76,792.		10.28		6.29
	(b) Share Holder -National West Minister Bank PLC as Trustee of Jupiter Ind - No. of Shares - No. of Shares (P.Y)20,00,000.		-		5.78
	(c) Share Holder - Mavi Investments - No. of				

Shares (P.Y)18,90,618.	-	5.46
(d) Share Holder- Al Sried Company For Trade Ltd, - No of shares (C.Y) 34,06,769.	6.64	-
(e) Share Holder -The Indiaman Fund Mauritius Limited, - No of shares (C.Y) 26,64,325.	5.20	-

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		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: Utilized during the year	-	-
		25,31,87,500	25,31,87,500
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(51,61,55,367)	(41,99,45,425)
	Add: Transfer from Profit & Loss Account	(17,06,94,915)	(9,62,09,941)
		(68,68,50,282)	(51,61,55,366)
	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: Utilized 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	(39,70,02,005)	(22,63,07,089)

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

S. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Share Application Money	16,09,40,593	6,25,00,000
	Add : Received during the year	8,28,54,167	9,84,40,593
	TOTAL SHARE APPLICATION MONEY	24,37,94,760	16,09,40,593
	Less : Allotment of Equity Shares.	16,66,40,590	-
	Balance Share Application Money	7,71,54,170	16,09,40,593

NOTE NO. 4 : LONG TERM BORROWINGS

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured		
	Bank of India, Banjara Hills - Loan for Flats (Secured by Hypothecation of the Flats of the company)	34,47,761	32,87,209
	Bank of India, Banjara hills - Term Loan. (Secured by total Plant & Machinery of the company)		5,32,452
	Vehicle Loans.- SBH (Hypothecation of Vehicle of the company)	-	2,90,788
	Vehicle Loan - PNB (Hypothecation of Vehicle of the company)	11,12,773	-
	Vehicle Loan - HDFC Bank (Hypothecation of Vehicle of the company)	7,26,671	-
	Vehicle Loan - ICICI Bank (Hypothecation of Vehicle of the company)	9,63,610	-
	TERM LOANS - (BOI, SBH, UCO, PNB) (Secured by total Plant & Machinery of the company)	128,33,50,981	84,49,09,830
	From other parties:		
	Unsecured	6,01,74,984	6,30,24,983
	Total long term borrowings	134,97,76,780	91,20,45,262

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Opening Deferred tax Liability	11,79,40,111	8,21,64,577
	Add : Deferred Tax Liability for the year. (Due to SLM and WDV Difference)	(8,19,80,557)	3,57,75,534
	Deferred Tax Liability/ (Asset) - Net	3,59,59,554	11,79,40,111

NOTE NO. 6 : OTHER LONG TERM LIABILITES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Trade Payables & Others	-	61,79,479
	Advance from Customers	-	1,00,70,531
	Other Liabilities	-	3,08,75,840
	Total other long term liabilities	-	4,71,25,850

NOTE NO. 7 : SHORT TERM BORROWINGS.

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured	14,27,59,867	29,92,13,998
	b) Other loans and advances		
	Secured	-	15,99,78,000
	Total short term borrowings	14,27,59,867	45,91,91,998

NOTE NO. 8 : TRADE PAYABLES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	a) Trade Payables	43,70,27,487	19,48,81,495
	Total Trade Payables	43,70,27,487	19,48,81,495

NOTE NO. 9 : SHORT TERM PROVISIONS

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	a) Provisions for employee benefits		
	PF Payable	4,09,733	23,84,114
	Salaries Payable	37,44,300	48,46,517
	b) Others		
	Statutory Liabilities	39,78,461	1,34,11,913
	Provision for Expenses	39,73,278	33,81,430
	Total short term provisions	1,21,05,772	2,40,23,974

**Note Number : 10 & 11
FIXED ASSETS AS ON 31st March, 2014 (Stand Alone)**

Sl. No.	Particulars	Gross Block						Depreciation/Amortization				Net Block as on 31.03.2014	Net Block as on 31.03.2013	
		As on 01.04.2013	Additions during the year	Additions through Business acquisitions	Capitalized during the year	Sale / Deletions during the year	As on 31.03.2014	Rate of Depreciation	Dep. As on 01.04.2013	Dep. For the year 2013-2014	Impairment Loss / Reversal of Impairment Loss for the Year			Total Depreciation
1	Land	5,46,49,032	-	-	-	-	5,46,49,032	0.00%	-	-	-	-	5,46,49,032	5,46,49,032
2	Building	16,95,89,490	-	-	-	-	16,95,89,490	3.34%	1,33,89,427	56,64,298	-	1,90,53,725	15,05,35,765	15,62,00,261
3	Plant & Machinery	118,04,70,286	2,68,32,846	-	-	-	120,73,03,132	5.28%	14,31,63,806	6,28,71,199	-	2,060,35,005	100,12,68,127	103,73,06,480
4	Office Equipment	35,37,865	4,42,363	-	-	-	39,80,228	6.33%	11,10,406	2,40,213	-	13,50,619	26,29,609	24,27,459
5	Computers	8,42,28,935	9,18,389	-	-	-	8,51,47,324	16.21%	8,24,56,575	12,17,895	-	8,36,74,470	14,72,854	17,72,360
6	Furniture & Fixtures	61,08,303	25,500	-	-	-	61,33,803	6.33%	21,07,836	3,88,137	-	24,95,973	36,37,830	40,00,467
7	Vehicles	1,86,71,445	42,39,938	-	-	14,76,715	2,14,34,668	9.50%	46,05,473	19,04,048	5,06,559	60,02,962	1,54,31,706	1,40,65,972
8	Intangible Fixed Asset	151,72,55,356	3,24,59,036	-	-	14,76,715	154,82,37,677	-	24,68,33,523	7,22,85,790	5,06,559	31,86,12,754	122,96,24,923	127,04,22,031
	Technical Know-how	-	-	-	-	-	-	-	-	-	-	-	-	-
	Pre Issue Expenses	78,96,908	-	-	-	-	78,96,908	20.00%	78,96,908	-	-	78,96,908	-	-
		3,90,72,114	-	-	-	-	3,91,26,016	0.00%	77,38,000	37,88,000	-	1,15,26,000	2,75,46,114	3,13,34,114
9	Capital Work in Progress	4,69,69,022	-	-	-	-	4,70,22,924	-	1,56,34,908	37,88,000	-	1,94,22,908	2,75,46,114	3,13,34,114
		156,42,24,378	3,24,59,036	-	-	14,76,715	159,52,60,601	-	26,24,68,431	7,60,73,790	5,06,559	33,80,35,662	125,71,71,037	130,17,56,145
	Total													

NOTE NO. 12 : NON- CURRENT INVESTMENTS

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Non- Current Investments		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	(Southern Biofe Biofuels Pvt Ltd - 99.97% holding)	34,30,970	34,30,970
	Total Non - Current Assets (Net)	34,30,970	34,30,970

NOTE NO.13 : LONG TERM LOANS AND ADVANCES

S.No.	Particulars	As at 31.03.2014	As at 31.03.2013
I	Long - term loans and advances:	-	-
	a) Security Deposit	-	-
	Secured	1,18,84,852	1,05,83,552
	Total Long term loans & advances(net)	1,18,84,852	1,05,83,552

NOTE NO.14 : OTHER NON - CURRENT ASSETS

S.No.	Particulars	As at 31.03.2014	As at 31.03.2013
I	Long term Trade receivable		
	(Including trade receivables on deferred credit basis)		
	Unsecured considered good	4,84,94,866	5,15,62,004
	Total non - current assets (net)	4,84,94,866	5,15,62,004

NOTE NO. 15 : INVENTORIES

S.No.	Particulars	As at 31.03.2014	As at 31.03.2013
I	Inventories :		
	a) Raw materials		
	Palm Steraine	2,28,14,425	9,67,229
	Mutton Tallow	1,21,35,914	87,91,064
	Rice Bran Oil.	10,32,282	1,28,40,843
	Used Cooking Oil.	3,04,44,526	1,46,49,058
	Palm Sludge Oil	-	13,13,160
	RB Acid oil.	13,31,258	-
	Seeds.	1,57,363	1,57,363
	Fatty Acid Oil.	3,26,09,934	9,87,760
	Chemicals & Consumables	1,06,25,841	1,27,81,286
	Sub Total	11,11,51,543	5,24,87,763
	b) Work - in - progress		
	Biodiesel.	6,45,645	26,62,776
	Sub Total	6,45,645	26,62,776
	c) Finished goods		
	Biodiesel.	5,62,02,337	5,96,97,304
	Glycerine.	6,22,60,110	5,37,27,547
	Oil Cake.	-	2,78,07,700
	Rice Bran Oil.	7,90,89,725	23,56,575
	Biodiesel Resedue.	-	26,10,716
	Sludge and Fatty Acid.	53,34,146	8,67,144
	Sub Total	20,28,86,318	14,70,66,986
	d) Stores and spares	3,38,78,734	96,25,689
	Total Inventories	34,85,62,240	21,18,43,214

NOTE NO. 16 : TRADE RECEIVABLES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Unsecured, Considered Good (Less than six months)	35,91,63,719	37,70,29,896
	Total Trade Receivables(net)	35,91,63,719	37,70,29,896

NOTE NO. 17 : CASH AND BANK BALANCES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Cash and cash equivalents :		
	a) Balances with banks : On Current Accounts	6,29,35,528	2,56,50,417
	b) Cash in hand	10,44,500	66,752
	Total Cash and Cash Equivalents	6,39,80,028	2,57,17,169

NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Short - Term Loans and Advances:		
	a) Security Deposit		
	Secured - LC Margin	4,92,20,965	3,68,53,000
	b) Other loans & advances		
	Raw Material Advances etc.,	1,46,32,384	11,89,800
	Loans and Advances-Others	1,41,40,609	1,61,35,897
	Total short term loans & advances	7,79,93,958	5,41,78,697

NOTE NUMBERS TO STATEMENT OF STANDALONE PROFIT & LOSS A/C
NOTE NO. 19 : REVENUE FROM OPERATIONS

Sl. No.	Particulars	For the year ended	
		As at 31.03.2014	As at 31.03.2013
		Rupees	Rupees
I	Revenue from operations		
	(a) Sale of Products (Domestic)	95,07,76,204	55,04,51,266
	(b) Export Sale of Products	33,95,55,941	15,69,28,825
	(c) Export Sale (Outside India Stock in Trade)	67,00,17,508	66,28,47,346
	(d) Sale of Services	4,27,95,073	3,27,77,117
	(e) Other Operating Revenues	1,43,00,000	3,13,78,440
	Less: Excise Duty.	34,32,618	36,99,851
	Total Revenue from Operations	201,40,12,108	143,06,83,143

NOTE NO. 20 : OTHER INCOME

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a)Other non-operating income. (net of expenses directly attributed to such income)	18,95,195	1,98,779
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	(7,93,113)	25,79,317
	Total Other Income	11,02,082	27,78,096

NOTE NO. 21 : COST OF MATERIALS CONSUMED

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	Material		
	Palm Steraine	10,53,06,535	16,15,96,060
	Mutton Tallow	24,12,13,515	17,85,55,226
	Cotton Seed Oil.	-	43,66,125
	Rice Bran Oil.	55,36,38,465	11,17,14,941
	Used Cooking Oil.	78,22,24,484	72,30,96,394
	Palm Sludge Oil	74,78,574	-
	RB Acid oil.	17,01,343	-
	Fatty Acid Oil.	2,57,36,286	2,03,86,270
	Chemicals	5,97,45,964	34,750,028
		177,70,45,166	123,44,65,044
	IROAF Sub contract Expenses	1,24,20,000	2,44,00,000
		1,24,20,000	2,44,00,000
	Total Cost Of Material Consumed	178,94,65,166	125,88,65,044

NOTE NO.22: CHANGES IN INVENTORIES & WIP.

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	Finished Goods		
	Finished goods at the beginning of the year	14,70,66,986	4,53,33,959
	Less : Finished goods at the end of the year	20,28,86,318	1,470,66,986
	Sub Total (A)	(5,58,19,332)	(10,17,33,027)
II	Work in Progress		
	Work in progress at the beginning of the year	26,62,776	8,50,286
	Less : work in progress at the end of the year	6,45,645	26,62,776
	Sub Total (B)	20,17,131	(18,12,490)
	(Increase) / Decrease in Inventories (A+B)	(5,38,02,201)	(10,35,45,517)

NOTE NO.23: EMPLOYEE BENEFIT EXPENSES (AGGREGATE EXPENDITURE)

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Salaries & Wages	1,88,91,643	1,15,45,006
	(b) Contribution to Provident & Other Funds	31,01,556	19,70,178
	(c) Staff Welfare Expenses	51,95,659	42,92,538
	Total Employee Benefit Expenses	2,71,88,858	1,78,07,722

NOTE NO. 24 : OTHER OPERATING EXPENSES

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Consumption of Chemicals , Stores & Spares	45,93,281	31,54,942
	(b) Power & Fuel	7,00,38,338	4,37,78,679
	(c) Rent (cable)	83,990	8,21,854
	(d) Repairs to Machinery	59,37,196	43,51,966
	(e) Insurance	20,52,566	24,40,781
	(f) Rates & Taxes (Excluding Income Tax)	13,68,933	4,31,579
	(g) Bandwidth	2,47,38,374	1,80,07,595
	(h) Other Mfg Expenses	1,07,21,983	2,06,90,150
	(i) Factory Wages	2,20,45,161	1,70,01,075
	(j) Shipping Charges	3,15,36,294	2,85,50,610
	(k) Payment to Auditors		
	(i) As Auditor	65,000	40,000
	(ii) For Taxation Matters	20,000	20,000
	(iii) For Company Law Matters	20,000	20,000
	(iv) For Management Services	20,000	20,000
	Total Other Expenses	17,32,41,116	13,93,29,231

NOTE NO. 25 : ADMINISTRATIVE EXPENSES

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Telephone, Postage and Others	27,06,723	18,39,509
	(b) Business Promotion Expenses	10,000	24,481
	(c) Travelling & Conveyance	1,05,90,607	1,20,44,699
	(d) Office Maintenance	22,77,252	14,39,976
	(e) Printing & Stationery Expenses	4,28,452	2,86,668
	(f) Security Charges	8,32,252	7,92,562
	(g) Rent ,Rates & Taxes (excluding Income Tax)	32,09,796	28,53,089
	(h) Managerial Remuneration	55,20,000	55,20,000
	(i) Consultancy Charges	46,88,497	24,49,021
	(j) Gen Expenses	4,09,461	11,30,181
	(l) Director Sitting Fee / Board Meeting Expenses	7,95,933	9,85,797
	Total Administrative Expenses	3,14,68,973	2,93,65,983

NOTE NO. 26 : FINANCE COST

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	(a) Interest Expenses :		-
	- Interest on Cash Credit	2,76,69,323	3,60,18,070
	- Interest on Car Loan / Term Loan	11,23,84,832	6,17,54,194
	- Loan processing Charges & Bank Charges	3,09,90,661	99,33,799
	- CDR - Facilitation Charges	1,21,11,239	
	(b) Other Borrowing costs	-	55,91,044
	Total Finance Cost	18,31,56,055	11,32,97,107

NOTE NO. 27 : OTHER EXPENSES

Sl. No.	Particulars	For the year ended	
		31.03.2014	31.03.2013
		Rupees	Rupees
I	Other expenses		
	General Expenses	-	20,246
	Loss on Sale of Vehicle.	3,30,156	-
	Advertisements	51,202	15,000
	Collection Expenses	2,24,621	2,28,000
	Commission & Discounts	2,28,16,727	75,23,070
	Freight Charges - Outward & Insurance	1,26,20,715	46,180
	Business Promotion Expenses	49,54,484	37,57,431
	Total Other expenses	4,09,97,905	1,15,89,927

Summary of Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2014.

1. Corporate information:

Southern Online Bio Technologies Limited was originally incorporated as Southern Online Services Private Limited vide certificate of incorporation no.01-30463 dated 9th November 1998 with Registrar of Companies, Hyderabad and subsequently converted into a Public Limited Company on 4th January 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 Bombay Stock Exchange Limited.

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 vegetable 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 Biodiesel unit with a capacity of 250 TPD is located at APIIC, SEZ, Visakhapatnam, Andhra Pradesh.

Summary of Significant Policies:

General:

- (i) The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Indian Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The management evaluates all recently issued or revised accounting standards on an ongoing basis.
- ii) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles.

iii) 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 statement 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

Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

Investments

Investments are classified into Current and long-term 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. However the Company is making payment on accrual basis from time to time.

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 appropriation of their respective carrying values at each balance.

Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss if any charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a charge in the estimate of recoverable amount.

Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a Contingent obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENTS:

27. Share Capital:

- The Equity Share Capital of the company as on 31st March, 2014 is 5,12,77,874 Equity Shares of Rs. 10/- each fully paid up.

During the year:

- During the year 2013-14, an amount of Rs. 7,71,54,140/- (77,15,414 Equity shares of Rs 10/- each fully paid up) was received towards Share application money pending for allotment.

28. Contingent Liabilities :

1. Bank Guarantees:

The Company has outstanding guarantees and counter guarantees of Rs.1,89,98,799/- as on 31.03.2014 (previous year ended 31.3.2013 is Rs.1,78,98,799/-) to bank, in respect of the guarantees given by the bank in favour of The President of India, Government of India, acting through the Telegraph Authority, and Ministry of Railways , Indian Railways Organization for Alternative Fuels (IROAF).

2. Letters of Credits

The Company has outstanding Letter of Credit to the extent of Rs 46,41,21,151/- as on 31.03.2014

3. Right to Recompense (ROR)

- ROR to CDR lenders for the relief and sacrifice extended is subject to the provisions of CDR guidelines and MRA
- As per CDR package the ROR amount for the year 2013-14 is Rs 6.97cr.

29. Secured Loans

- The Company's ISP Division has Over Draft facility to the tune of Rs 35 Lakhs with Bank of India which is secured against book debts of the company.
- The Company's Biodiesel Division has Working Capital facility to the tune of Rs 4546 Lakhs which is secured against Stocks and book debts of the company.
- The working of your company was adversely affected due to insufficient working capital which resulted in low capacity utilisation. To get the required working capital and to overcome the adverse effects of low capacity utilisation. Your Company made a reference to the CDR cell through Bank of India for restructuring of the debts of the Company and to have the required working capital limits for the company through CDR mechanism envisaged under RBI guidelines dated August 23, 2001 and subsequent amendments thereto. The CDR Empowered Group (CDR-EG) approved a restructuring scheme in terms of which the existing facilities were restructured in October 2013 and also approved the demerger of Internet Service provider and Biodiesel businesses. The Company had executed the Master Restructuring Agreement in February 2014 (the MRA) with CDR Lender in furtherance of CDR scheme, besides various other related documents as envisaged under the CDR scheme. The cut off date is 1st April 2013. The CDR proposal includes a two year moratorium on principal and term debt interest payments and approximately 3% reduction in interest rates. In terms of CDR scheme, the promoters (on their own or together with friends, relatives and associates) are required to bring in equity to the extent of Rs 6.23 Cr into the Company within the stipulated time, which has been infused successfully before March 2014.

During the financial year the following credit facilities have been sanctioned/ Restructured by consortium banks under CDR EG (Bank of India, State Bank of Hyderabad, UCO Bank and Punjab National Bank) which is secured by way of charge on the fixed assets of the Company and personal guarantees of the Directors.

- 1) Term Loan - III Restructured to Rs 39.44 Cr
- 2) Term Loan - IV Restructured to Rs 24.52 Cr
- 3) FITL - I Restructured to Rs 10.59 Cr
- 4) WCTL - I Restructured to Rs 22.00 Cr.
- 5) Additional Sanction of FITL - II Rs 24.54 Cr.
- 6) Additional Sanction of WCTL - II Rs 22.45 Cr.
- 7) WCFB enhanced from Rs 12.55 Cr (after WCTL-II Carved) to Rs 45.46 Cr.
- 8) WCNFB enhanced from Rs 36.75 Cr to Rs 80.83 Cr.

Term Loan I and II have been fully paid.

30. Investments

During the year 2004-05 the Company has invested 3,43,097 Equity shares of Rs 10/- each fully paid upto the shareholders of Southern Biofe Biofuels Private Limited as 99.97% subsidiary company and same is approved in Board of Directors. No other investments were made by the Company.

31. Segment Reporting

The activities of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Biodiesel, Used Cooking Oil trading and Contract and Biodiesel Plant Construction for IROAF at Tondiarpet, Chennai.

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 biodiesel unit at Tondiarpet, Chennai.
- b) The income and expenditure relating to Cross country trading of Used Cooking 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 31.03.2013	ISP		Biodiesel		Others		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues	427.95	327.77	9,369.00	7,036.80	10,343.17	6,942.26	20,140.12	14,306.83
Identifiable Operating Expenses	282.29	206.11	1,392.62	894.94	57.50	292.24	1,732.41	1,393.29
Allocated Expenses	122.19	112.56	9,029.80	6,095.28	9,961.93	6,204.85	19,113.92	12,412.69
Segmental Operating Income	23.47	9.10	(1,053.42)	46.58	323.74	445.17	(706.21)	500.85
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	23.47	9.10	(1,053.42)	46.58	323.74	445.17	(706.21)	500.85
Interest Expenses	14.59	12.28	1,810.70	1,090.55	6.27	30.14	1,831.56	1,132.97
Other Income	0.26	2.80	(30.31)	1.99	41.07	22.99	11.02	27.78
Net profit before taxes and prior period items	9.14	(0.38)	(2,894.43)	(1,041.98)	358.54	438.02	(2,526.75)	(604.34)
Provision for taxation	(1.51)	5.87	(818.30)	351.15	-	0.73	(819.81)	357.75
Prior period Items	-	-	-	-	-	-	-	-
Net profit after taxes and before exceptional items	10.65	(6.25)	(2,076.13)	(1,393.13)	358.54	437.29	(1,706.94)	(962.09)
Exceptional items	-	-	-	-	-	-	-	-
Profit after tax and exceptional items	10.65	(6.25)	(2,076.13)	(1,393.13)	358.54	437.29	(1,706.94)	(962.09)

Geographical segments

(Rs. In Lakhs)

Revenues	31st March 2014	31st March 2013
India	10,044.39	6,109.07
Outside India	10,095.73	8,197.76
Total	20,140.12	14,306.83

32. 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 asset for an amount of Rs 983.29 lakhs on business loss of the current financial year 2013-14. Such DTA 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 Biodiesel situated at Vizag.

(Rs. in Lakhs)		
Particulars.	As at 31.3.2014	As at 31.3.2013
Deferred Tax Liability		
a) Opening Balance 01.04.2013	1179.40	821.65
b) Deferred Tax Expense/ Income:		
Differential Depreciation	163.49	355.97
Carried Forward Loss for 2013-14	(983.29)	-
Total (C)	359.59	1177.62

33. Foreign Exchange Earnings

(Rupees)

Particulars.	As at 31.03.2014	As at 31.3.2013
Export of Goods	10,095.73	8,197.76
Total	10,095.73	8,197.76

34. Foreign Exchange Outflow

(Rupees)

Particulars.	31.03.2014	31.3.2013
Foreign Travel	77,81,374	5,32,722
For Purchases	80,18,55,551	65,57,72,786
Membership Fee	Nil	3,21,706
Total	80,96,36,925	65,66,27,214

35. Directors' Remuneration

The Managerial remuneration paid or provided in accordance with Schedule XIII of the Companies Act, 1956 to the Directors is as follows:

(Rupees)

Particulars	31.03.2014	31.03.2013
Salary & Allowances (Whole Time Director)	55,20,000	55,20,000

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

36. Remuneration to Auditors

(Rupees)

Particulars.	31.03.2014	31.03.2013
Audit Fees	1,25,000	1,00,000
Total	1,25,000	1,00,000

37. Details of Quantitative Information:

The activities of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Biodiesel, Used Cooking Oil trading and Contract and Biodiesel 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 under paragraph 3 and 4C of part II of the schedule VI of the Companies Act, 1956. In respect of Biodiesel Division and UCO Merchant Trading the quantitative information is as follows:

Sl. No.	Quantitative Information	2013-14		2012-13	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	280 TPD		280 TPD	
C	Finished Goods				
	Biodiesel				
	Opening Stock	1,374,113	623.60	1,13,830	46.30
	Production During the Year	94,20,680	4,314.61	1,03,53,053	4,809.48
	Sales During the year	97,76,551	4,332.07	90,89,770	4,031.59
	Sludge & Fatty	-	-	3,000	0.30
	Closing Stock of Biodiesel	10,18,242	534.07	13,74,113	623.60
	Glycerine				
	Opening Stock	11,35,164	537.28	8,95,855	396.38
	Production During the Year	7,60,284	324.09	9,21,099	420.12
	Sales During the year	4,27,580	138.36	6,81,790	171.11
	Consumption for Estrified Oil	2,82,304	126.37	-	-
	Closing Stock of Glycerine	11,85,564	652.06	11,35,164	537.28
	Estrified Oil				
	Opening Stock	51,077	23.57	30,429	11.98
	Production During the Year	25,95,777	1,241.20	24,73,642	1,164.91
	Sales During the year	11,99,859	584.57	24,52,994	1,107.65
	Closing Stock of Estrified Oil	14,46,995	795.85	51,077	23.57
	Biodiesel Residue				
	Opening Stock	62,234	26.11	426	0.18
	Production During the Year	-	-	61,808	25.93
	Sales During the year	-	-	-	-
	Consumption for Biodiesel	62,234	26.11	-	-
	Closing Stock of Biodiesel Residue	-	-	62,234	26.11
	Sludge & Fatty Acid Oil				
	Opening Stock	37,773	8.67	33,722	7.00
	Production During the Year	6,56,341	130.44	2,45,966	58.04
	Sales During the year	4,51,560	82.23	2,41,915	52.84
	Closing Stock of Sludge & Fatty Acid Oil	2,45,111	53.34	37,773	8.67
	Processed UCO				
	Opening Stock	5,56,154	278.08	-	-
	Production during the year	54,49,466	2,909.56	37,72,701	1,886.35
	Sales during the year	60,05,620	3,395.56	32,16,547	1,569.29
	Closing stock of processed UCO	-	-	5,56,154	278.08
D	RAW MATERIAL CONSUMED				
	Seeds				
	Opening Stock	14,791	1.57	14,791	1.57
	Purchased During the Year	-	-	-	-
	Sales During the year	-	-	-	-
	Closing Stock of Seeds	14,791	1.57	14,791	1.57
	Tallow				
	Opening Stock	2,00,920	87.91	1,05,123	40.36

Purchased During the Year	66,16,882	2,445.38	41,96,128	1,833.11
Consumed During the year	64,94,414	2,412.14	4,100,331	1,785.55
Closing Stock of Tallow	3,23,388	121.36	2,00,920	87.91
Palm Steraine				
Opening Stock	27,399	9.67	2,48,517	95.44
Purchased During the Year	28,52,388	1,271.54	46,14,624	1,530.19
Consumed During the year	24,20,461	1,053.07	48,35,742	1,615.96
Closing Stock of Palm Steraine	4,59,326	228.14	27,399	9.67
Fatty Acid Oil				
Opening Stock	30,524	9.88	5,114	1.83
Purchased During the Year	11,45,365	573.58	6,54,835	211.91
Consumed During the year	5,34,909	257.36	6,29,425	203.86
Closing Stock of Fatty Acid Oil	6,40,980	326.10	30,524	9.88
Rice Bran Oil				
Opening Stock	3,02,013	128.41	5,93,838	235.25
Purchased During the Year	1,14,56,169	5,418.29	23,08,904	1,010.30
Sales during the year	91,11,707	4,242.17	-	-
Consumed During the year	26,24,421	1,294.21	26,00,729	1,117.15
Closing Stock of Rice Bran Oil	22,051	10.32	3,02,013	128.41
Used Cooking Oil				
Opening Stock	3,32,676	146.49	1,95,250	75.70
Purchased During the Year	1,78,40,192	7,980.19	33,60,228	1,508.60
Sales during the year	1,35,53,904	6,700.17	-	-
Consumed During the year	39,40,164	1,767.18	32,22,802	1,437.81
Closing Stock of Used Cooking Oil	6,78,800	304.45	3,32,676	146.49
Palm Sludge Oil				
Opening Stock	-	-	-	-
Purchased During the Year	1,69,455	74.79	-	-
Consumed During the year	1,69,455	74.79	-	-
Closing Stock of Palm Sludge Oil	-	-	-	-
R B Acid Oil				
Opening Stock	40,272	13.13	40,272	13.13
Purchased During the Year	34,690	17.19	-	-
Sale of RB Acid Oil	42,055	17.01	-	-
Consumed During the year	-	-	-	-
Closing Stock of R B Acid Oil	32,907	13.31	40,272	13.13
Cotton Seed Oil				
Opening Stock	-	-	1,09,541	43.66
Purchased During the Year	-	-	-	-
Consumed During the year	-	-	1,09,541	43.66
Closing Stock of Cotton Seed Oil	-	-	-	-

38. DETAILS OF RELATED PARTY TRANSACTION

The company has entered into the following related party transactions as on 31st March, 2014 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
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter & Director Finance & CFO
Mr.B. Sreedhara Reddy	Promoter & Director Administration
Mr. BHR Balaji	Promoter & Executive Director

b) The following are the related party transactions:

Name of the Party	Relationship	Nature of Transaction	(Rs. In lakhs)	
			Amount 31.03.14	Amount 31.03.13
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	19.20	19.20
Mr. K. Radha Krishna	Promoter & Director Finance & CFO	Remuneration	12.00	12.00
Mr.B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	12.00	12.00
Mr. BHR Balaji	Promoter & Executive Director	Remuneration	12.00	12.00

39. PRIOR PERIOD ITEMS: NIL

40. Confirmations were obtained from debtors/ creditors as to the balances receivable/ payable to them as at year ended 31st March, 2014.

41. 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 earning per share is the weighted average number of shares outstanding during the year.

Particulars.	31.03.2014	31.03.2013
Total No. of Shares outstanding (nos.)	5,12,77,874	3,46,13,815
Total No. of Shares outstanding (weighted Average)	5,12,77,874	3,46,13,815
Profit after taxes before exceptional items	(17,06,94,915)	(6,04,34,407)
Profit after taxes after exceptional items	(17,06,94,915)	(6,04,34,407)
EPS before Non-recurring and exceptional items (Weighted Average)	(3.33)	(1.75)
EPS after Non-recurring and exceptional items (Weighted Average)	(3.33)	(1.75)

42. Previous year figures have been regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE

For P.Murali & Co.,
Chartered Accountants
Firm Regn No 007257S
Sd/-

P. Murali Mohana Rao.
Partner.
M.No: 023412
Place : Hyderabad
Date : 30.05.2014.

For Southern Online Bio Technologies Ltd.
Sd/-
N. Satish Kumar. K. Radha Krishna.
Managing Director. Director Finance & CFO.
Sd/-
G. Anupama.
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

PARTICULARS	Year Ended 31.03.2014 (Rs in Lacs)	Year Ended 31.03.2013 (Rs in Lacs)
A . CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(2,526.75)	(604.34)
Adjustments for:		
Depreciation	722.86	229.58
Written off Expense	37.88	42.28
Interest	1,831.56	1,132.97
Operating Profit before working capital charges	65.54	800.49
Increase in Loans and Advances	(251.17)	696.26
Trade and other receivables	209.33	(2,158.80)
Inventories	(1,367.19)	(970.57)
Trade payables	1,831.02	1,132.05
Cash generated from operations	487.54	(500.57)
Interest paid	1,831.56	1,132.97
Cash flow before extraordinary items - (A)	(1,344.02)	(1,633.54)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	(37.88)	(105.00)
Purchase of Fixed Assets	324.59	1,434.30
Net cash used in investing activities - (B)	286.71	1,329.30
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / decrease in Secured Loans	1,212.99	1,830.40
Increase in Share Application amount	800.36	984.41
Net Cash used in Financing activities - (C)	2013.36	2814.81
Net increase in cash and cash equivalents - (A-B+C)	382.63	(148.03)
Cash and Cash equivalents as at (Opening Balance)	257.17	405.20
Cash and Cash equivalents as at (Closing Balance)	639.80	257.17

AS PER OUR REPORT OF EVEN DATE

 For P.Murali & Co.,
 Chartered Accountants
 Firm Regn No 007257S
 Sd/-

 P. Murali Mohana Rao.
 Partner.
 M.No: 023412
 Place : Hyderabad
 Date : 30.05.2014.

FOR AND ON BEHALF OF THE BOARD.

 For Southern Online Bio Technologies Ltd.
 Sd/-

 N. Satish Kumar.
 Managing Director.

 Sd/-
 G. Anupama.
 Company Secretary

 K. Radha Krishna.
 Director Finance & CFO.



SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

Corporate Identification number: L72900AP1998PLC030463

Registered office: # 8-3-833/173, Kamalapuri Colony, Phase II,
Hyderabad 500 073, Telangana, India

Tel No.91-40-49221999, Fax No.91-40-49221998

Email address: investors@sol.net.in. Website: www.sol.net.in

Form No. 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)

Name of the Member(s):
Registered Address
Email:
Folio No./Client Id:
DP ID:

I/We, being the members of _____ Shares of the above named Company, hereby appoint

i. Name:
Address:
E-mail id:
Signature: _____ or failing him/ her

ii. Name:
Address:
E-mail id:
Signature: _____ or failing him/ her

iii. Name:
Address:
E-mail id:
Signature: _____ or failing him/ her

as my/ our proxy to attend and vote (on a poll) for me/us and on my /our behalf at the 16th Annual General Meeting of the Company, to be held on Tuesday 30th September 2014 at 10.30 AM at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500030 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Balance Sheet , statement of profit and loss, Report of the Board of Directors and Auditors for the financial year ended 31st March, 2014.
2. Appointment of Mr B Sreedhara Reddy, who retires by rotation and being eligible, seeks re- appointment.
3. Appointment of Mr BHR Balaji, who retires by rotation and being eligible, seeks re-appointment.
4. Appointment of M/s P Murali & Co as the Auditors of the Company.
5. Appointment of Mr Bachala Ashok as an Independent Director of the Company.
6. Appointment of Ms T Rohini Reddy as an Independent Director of the Company.
7. Appointment of Mr Ashiwini Kumar Tripathi as an Independent Director of the Company.
8. Appointment of Mr Kishor shah as an Independent Director of the Company.
9. Contract to take on lease four wheeler Vehicle (cars) from Whole Time Directors of the Company .
10. Amendment to Articles of Association of the Company

Signed this _____ day of _____ 2014.

Signature of the shareholder

Affix Revenue Stamp

Signature of the proxy holder(s)

Note: 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.



SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

Corporate Identification number: L72900AP1998PLC030463

Registered office: # 8-3-833/173, Kamalapuri Colony, Phase II,

Hyderabad 500 073, Telangana, India

Tel No.91-40-49221999, Fax No.91-40-49221998

Email address: investors@sol.net.in. Website: www.sol.net.in

ATTENDANCE SLIP

(Please present this slip at the meeting venue)

I hereby record my presence at the 16th Annual General Meeting of the Company to be held on Tuesday 30th September 2014 at 10.30 AM at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 030.

Shareholders/ Proxy's Signature _____

Shareholders/ Proxy's full name _____

Folio No. / Client ID _____

No. of shares _____

Note: Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.



SBT Biodiesel Plant - Samsthan Narayanpur (Village & Mandal), Nalgonda Dist.,



IROAF (Indian Railways Organisation for Alternate Fuels) 30 TPD Biodiesel Plant at Tondiarpet, Chennai under implementation by SBT

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H.No. 8-3-833/173, Kamalapuri Colony, Phase-II, Hyderabad - 500 073.

Tel: +91-40-49221999, Fax : +91-40-49221998

Website: www.sol.net.in e-mail : info@sol.net.in