

17th Annual Report 2014-2015



SOUTHERN ONLINE BIO TECHNOLOGIES LTD

Smart Solutions and Eco Friendly

CORPORATE INFORMATION

BOARD OF DIRECTORS:

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

COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. G. Anupama

REGISTERED OFFICE:

8-3-833/173, Kamalapur Colony,
Phase -II, Hyderabad -500 073
Tel: (040) 4922 1999, Fax (040) 4922 1998
Website: www.sol.net.in
Email: Info@sol.net.in

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

STATUTORY AUDITORS:

M/s. P. Murali & Co.,
Chartered Accountants
6-3-655/2/3, Somajiguda
Hyderabad - 500 082

WORKS

Survey Nos. 6 & 7,
Samsthan Narayanpur (V & M)
Nalgonda Dist.
Telangana

Plot No. 45/A, APSEZ,
Atchutapuram, Rambilli Mandal,
Visakhapatnam - 531 011
Andhra Pradesh

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Aarathi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad-29.
Tel: (040) 27642217 / 27638111
Fax: (040) 27632184
Email: info@aarthiconsultants.com

AUDIT COMMITTEE:

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

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

INDEPENDENT DIRECTORS COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

LISTED AT

BSE Limited.

DEMAT ISIN NUMBER IN NSDL & CDSL:

INE 371B01015

WEBSITE

www.sol.net.in

INVESTOR E-MAIL ID

investors@sol.net.in

CORPORATE IDENTIFICATION NUMBER

L72900TG1998PLC030463

NOTICE TO MEMBERS

Notice is hereby given that the Seventeenth Annual General Meeting of **Southern Online Bio Technologies Limited** will be held on Wednesday, the 30th day of September, 2015 at 10.30 a.m. at Mrugavani Resorts, # 177/1, Aziz Nagar, Moinabad, Hyderabad - 500 075, to transact the following business :

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2015 and Balance Sheet as at that date together with Director's Report and Auditor's Report thereon.
- 2) To appoint a Director in place of Mr N Satish Kumar (DIN 00552358) who retires by rotation and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Mr K Radha Krishna (DIN 01585940) who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s. P Murali & Co., Chartered Accountants as Statutory Auditors (Firm Regn No: 007257S) is hereby ratified to hold office from the conclusion of this Annual General Meeting till conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors.”

SPECIAL BUSINESS:

- 5) To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. G Viswanath (DIN: 07192232), who was appointed as Nominee Director (Bank of India) of the Company by the Board of Directors with effect from 27.05.2015, in terms of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting 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 Non-executive Nominee Director of the Company not liable to retire by rotation at the Annual General Meeting.”

- 6) To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 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), read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the Company be and is hereby

accorded to the re-appointment of Mr. BHR Balaji (DIN: 00552538) as Executive Director of the Company, for a period of three years commencing from 05th January 2015 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr.BHR Balaji, Executive Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution in terms of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

7) To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 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), read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. K Radha Krishna (DIN:01585940) as Whole Time Director & CFO of the Company, for a period of three years commencing from 05th January 2015 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr K Radha Krishna, Whole Time Director & CFO, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution in terms of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above.”

8) To consider and if thought fit, to pass with or without modification, the following Resolution as Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 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), read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. B Sreedhara Reddy (DIN: 01302512) as Director Administration of the Company, for a period of three years commencing from 05th January 2015 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the notice.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to alter or vary the scope of remuneration of Mr.B Sreedhara Reddy, Director Administration,

including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution in terms of Schedule V of the Companies Act, 2013.

“RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

- 9) To consider and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**.

“RESOLVED THAT pursuant to section 148 and its provisions of the Companies Act 2013, 'Lavanya & Associates', Cost Accountants (Firm Registration No. 101257) of Hyderabad from whom the letters of intent and independence have been received, are hereby appointed as the Cost Auditors of the company for the year 2015-16 at a remuneration of Rs. 20,000/- (Rupees Twenty thousand only).”

- 10) To consider and if thought fit, to pass with or without modification, the following Resolution as an **Special Resolution**.

“RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the new draft Articles as contained in the Articles of Association submitted be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) and the Company Secretary of the Company, be and are hereby severally authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors

Place : Hyderabad
Date : 07.08.2015

Sd/-
G Anupama
Company Secretary

Notes:

- 1) An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed hereto.
- 2) A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself.

A Proxy need not be a member of the Company. Instrument of proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the meeting.

- 3) The Register of Members and Transfer Books of the Company will be closed from 24th September 2015 to 30th September 2015 (both days inclusive).
- 4) Non-Resident Indian Shareholders are requested to inform the Registrars, M/s. Aarthi Consultants Pvt. Ltd. immediately:
 - a) The change in the Residential status on return to India for permanent settlement.
 - b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
- 5) Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend.
- 6) Pursuant to the Clause 49 of the Listing Agreement, additional information on Directors seeking appointment/ reappointment at the Annual General Meeting:

At the ensuing Annual General meeting Mr N Satish Kumar and Mr K Radha Krishna retire by rotation and being eligible offered themselves for re-appointment.

Mr N Satish Kumar born in 1969 is a graduate in English Literature and a Post Graduate Diploma holder in Computer Applications. He is one of the Promoter and also Managing Director of the Company. He is having 25 years of rich experience in the areas of Environment, Software consultancy and Marketing. He is the Managing Director of the Company and has received various National and International awards in his personal capacity and on behalf of the Company. He does not hold any Committee membership in any company except in the Company he is member of Stakeholders Relationship Committee and Risk Management Committee. He is on Board of the Company since its inception i.e., from November 1998. He is also director in Southern Biofe Biofuels Pvt Ltd a wholly owned Subsidiary of the Company and Southern online Services Limited. He holds 60,27,652 equity shares of the Company.

Mr K Radha Krishna born in 1968, is a graduate in Engineering. He is one of the promoter Director heading the Finance department of the Company since its inception. He has total experience of 24 years. The Company has received various National and International awards under his leadership. He is also director in Southern Biofe Biofuels Private Limited a wholly owned subsidiary of the Company and Southern Online Services Limited. He does not hold any committee membership in any Company except in the Company he is member of Stakeholders Relationship Committee and Risk Management Committee. He is on Board of the Company since November 1998. Mr K Radha Krishna holds 25,34,657 equity shares of the Company.

- 7) The Ministry of Corporate Affairs ("Ministry"), Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic

mode. As per the Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors Report, Auditors Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

- 8) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company / Registrar.
- 9) In terms of Circular No.17/2011, dated 21.04.2011 and Circular No.18/2011, dated 29.04.2011 issued by the Ministry of Corporate Affairs, under Green initiative in the Corporate Governance all the members are requested to intimate their e-mail address to the Company's Registrar and Transfer Agents whose e-mail id is info@aarthiconsultants.com mentioning the Company's name i.e., Southern Online Bio Technologies Limited (SBTL), so as to enable the company to send the Annual Report and Accounts, Notices and other documents through Electronic Mode to their e-mail address.

Notices/documents including the Annual Report are now being sent by electronic mode to the shareholders whose e-mail address has been registered with the Company. Members who would like to receive such notices/documents in electronic mode in lieu of physical copy and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses:

- in respect of electronic shareholding - through their respective Depository Participants.
- in respect of physical shareholding - by sending a request to the Company's Share Transfer Agent at info@aarthiconsultants.com, mentioning therein the Company's name i.e., Southern Online Bio Technologies Limited (SBTL), their folio number and e-mail address.

The Annual Report 2014-15 as circulated to the members of the Company is also available on the website of the Company www.sol.net.in.

10) **Voting for transaction of Business:**

The business as set out in the Notice may be transacted and that:

- (A) The Company is providing facility for voting by electronic means in compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised Clause 35B of the Listing Agreement.
- (B) The Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through ballot paper.
- (C) The Members who have cast their vote by remote-e voting shall not be entitled to cast their vote again. The procedure and instructions for members for voting electronically are as under:

The remote e-voting period begins at **9.00 A.M. on 26th September, 2015 and ends at 5 P.M. on 29th September, 2015**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2015, may

cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

i) Open your web browser during the voting period and log on to the e-voting website **www.evotingindia.com**

ii) Now click on "Shareholders" to cast your votes.

iii) User-ID	<p>For Members holding shares in Demat Form:-</p> <p>a) For CDSL:- 16 digits beneficiary ID</p> <p>b) For NSDL:- 8 Character DPID followed by 8 Digits Client ID For Members holding shares in Physical Form:-</p> <p>c) Folio Number registered with the Company</p>
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> <p>◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>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.</p>
vii) Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>◆ 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 number or client id in the Dividend Bank details field as mentioned in instruction (iv).</p>

viii) After entering these details appropriately, click on **SUBMIT** tab

ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with

any other person and take utmost care to keep your password confidential.

- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) 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.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non - Individual Shareholders and Custodians
 - ◆ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - ◆ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - ◆ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ◆ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - ◆ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) 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

1. Please follow all steps from SI no (I) to SI no (XV) above to cast vote.
2. The Company has appointed Mr S Sarveswar Reddy, Practicing Company Secretary, C.P. No. 7478, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders

meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchange (BSE).

3. The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of 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.
4. 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.
5. 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 dated of 23rd September 2015 and not casting their vote electronically, may only cast their vote at the AGM.

Item No.5:

(Pursuant to section 102 of the Companies Act, 2013)

The Board of Directors of the Company at its meeting held on 27th May, 2015 had appointed Mr. G Viswanath (DIN: 07192232) as Nominee Director on behalf of Bank of India and holds his office only upto this Annual General Meeting. Pursuant to provisions of section 161(1) and other applicable provisions of the Companies Act, 2013 and Articles of Association, the Company has received a notice from a shareholder proposing his candidature for the office of Director along with requisite deposit.

A brief Profile of Mr. G Viswanath:

Mr G Viswanath (DIN: 07192232) aged 55 years, holds a B.Sc., and MBA degree from Andhra University. He has joined Bank of India as a direct recruit officer in 1985. Since then he has been working in various verticals and has gained extensive experience in Banking and Finance. He headed the National Banking Group – South Audit office as Deputy General Manager. Currently he is Zonal Manager for Telangana Zone.

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

Item No.6:

Mr BHR Balaji (DIN: 00552538) aged 43 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 does not hold any committee memberships in any company. Mr BHR Balaji holds 7,11,657 equity shares of the Company.

Considering the qualifications and experience in managing affairs of the Company, the Nomination and Remuneration Committee has recommended the re-appointment of Mr. BHR Balaji as an Executive Director for another period of three years with effect from 05th January, 2015 subject to the approval of the shareholders in the Annual General Meeting. He will be paid remuneration and perquisites as recommended by the Nomination and Remuneration Committee and within the limits prescribed under sections 196, 197, 198 and Schedule V and other applicable provisions of the Companies Act, 2013 subject to overall ceiling fixed under Schedule V part 2 section I and II of the Companies Act, 2013 amended from time to time and on terms and conditions given hereunder:

I. Salary

Rs.2,00,000/- (Rupees Two lakhs only) per month

II. Commission

1% of the amount of Net Profit before taxes (but after charging all expenses including depreciation and managerial compensation) as appearing in the Audited Annual Accounts for each Financial Year of the Company, unless otherwise decided by the Board for any financial Year, subject however, that the total remuneration (i.e., salary, perquisites and commission) in any one financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

III. Perquisites

Perquisites as follow will be paid and / or provided in addition to salary, subject however that the amount of perquisites, if taxable as per Income Tax Act, 1961, shall be restricted to total remuneration as per Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Part – A

a] Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a ceiling of one month's salary per year or 3 months' salary in a block of 3 years.

b] Leave Travel Concession

For self and family including dependent father and mother, to and from any place in India, once in a year in accordance with the rules of the Company.

c] Club Fees

Fees of Club subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid.

Part – B

a] Provident Fund

Company's contribution to Provident Fund as per the scheme of the Company.

b] Pension / Superannuation Fund

Company's contribution to Pension / Superannuation Fund in accordance with the scheme of the Company.

c] Gratuity

As per the rules of the Company, payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service.

Part – C

a] Car

Use of Company's car with driver for business purposes.

b] Telephone

Free Telephone / Communication facilities at residence for business purposes.

IV. Other Benefits

Leave

On full pay and allowances as per rules of the Company, but not more than one month's leave for every 11 months of service. Leave not availed of shall be allowed to be encashed at the end of the tenure and the same will not be included in the computation of the ceiling on perquisites.

V. Overall Remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration in excess of that entitled under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, but not exceeding the overall limits prescribed under the Act, the same shall be determined and decided by the Board.

VI. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, including any statutory modification or re-enactment thereof, as may be for the time being in force.

VII. Three months notice shall be required on either side for termination of services.

In the opinion of the Board, Mr BHR Balaji proposed to be appointed as Executive Director fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board recommends the resolution set forth in Item no 6 for the approval of members. Except Mr BHR Balaji, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or in interested, financial or otherwise, in the resolution set out at item no.6.

Item No. 7:

Mr K Radha Krishna (DIN: 01585940) aged 47 years is Graduate in Civil Engineering from Nagarjuna University, Guntur. He has more than 24 years of experience. He has been the heading the Finance department of the Company since its inception. He is one of the Promoter Director of the Company and in association with other directors, actively involved in the establishment India's first commercial biodiesel production unit established by the Company. Prior to promoting Southern Online, he was engaged in the business of software & hardware consultancy. He started his career in the construction industry, associated in the execution of several projects such as Hindustan Cables Ltd., Larsen & Toubro and Telecom department etc.

Considering the qualifications and experience in managing affairs of the Company, the Nomination and Remuneration Committee has recommended the re-appointment of Mr. K Radha Krishna as Whole Time Director & CFO for another period of three years with effect from 05th January, 2015 subject to the approval of the shareholders in the Annual General Meeting. He will be paid remuneration and perquisites as recommended by the Nomination and Remuneration Committee and within the limits prescribed under sections 196, 197, 198 and Schedule V and other applicable provisions of the Companies Act, 2013 subject to overall ceiling fixed under Schedule V part 2 section I and II of the Companies Act, 2013 amended from time to time and on terms and conditions given hereunder

I. Salary

Rs.2,00,000/- (Rupees Two lakhs only) per month

II. Commission

1% of the amount of Net Profit before taxes (but after charging all expenses including depreciation and managerial compensation) as appearing in the Audited Annual Accounts for each Financial Year of the Company, unless otherwise decided by the Board for any financial Year, subject however, that the total remuneration (i.e., salary, perquisites and commission) in any one financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

III. Perquisites

Perquisites as follow will be paid and / or provided in addition to salary, subject however that the amount of perquisites, if taxable as per Income Tax Act, 1961, shall be restricted to total remuneration as per Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Part – A

a] Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a ceiling of one month's salary per year or 3 months' salary in a block of 3 years.

b] Leave Travel Concession

For self and family including dependent father and mother, to and from any place in India, once in a year in accordance with the rules of the Company.

c] Club Fees

Fees of Club subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid.

Part – B

a] Provident Fund

Company's contribution to Provident Fund as per the scheme of the Company.

b] Pension / Superannuation Fund

Company's contribution to Pension / Superannuation Fund in accordance with the scheme of the Company.

c] Gratuity

As per the rules of the Company, payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service.

Part – C

a] Car

Use of Company's car with driver for business purposes.

b] Telephone

Free Telephone / Communication facilities at residence for business purposes.

IV. Other Benefits

Leave

On full pay and allowances as per rules of the Company, but not more than one month's leave for every 11 months of service. Leave not availed of shall be allowed to be encashed at the end of the tenure and the same will not be included in the computation of the ceiling on perquisites.

V. Overall Remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration in excess of that entitled under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, but not exceeding the overall limits prescribed under the Act, the same shall be determined and decided by the Board.

VI. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, including any statutory modification or re-enactment thereof, as may be for the time being in force.

VII. Three months notice shall be required on either side for termination of services.

In the opinion of the Board, Mr K Radha Krishna proposed to be appointed as Director & CFO fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board recommends the resolution set forth in Item no.7 for the approval of members. Except Mr K Radha Krishna being an appointee, none of the Directors and Key managerial personnel of the Company and their relatives is concerned or in interested, financial or otherwise, in the resolution set out at item no.7.

Item No. 8

Mr B Sreedhara Reddy (DIN: 01302512) aged 46 years is Graduate in Civil Engineering from Nagarjuna University, Guntur. He was involved in several construction projects. He has experience of more than 18 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 does not 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.

Considering the qualifications and experience in managing affairs of the Company, the Nomination and Remuneration Committee has recommended the re-appointment of Mr. B Sreedhara Reddy as Director Administration for another period of three years with effect from 05th January, 2015 subject to the approval of the shareholders in the Annual General Meeting. He will be paid remuneration and perquisites as recommended by the Nomination and Remuneration and within the limits prescribed under sections 196, 197, 198 and Schedule V and other applicable provisions of the Companies Act, 2013 subject to overall ceiling fixed under Schedule V part 2 section I and II of the Companies Act, 2013 amended from time to time and on the terms and conditions given under:

I. Salary

Rs.2,00,000/- (Rupees Two lakhs only) per month

II. Commission

1% of the amount of Net Profit before taxes (but after charging all expenses including depreciation and managerial compensation) as appearing in the Audited Annual Accounts for each Financial Year of the Company, unless otherwise decided by the Board for any financial Year, subject however, that

the total remuneration (i.e., salary, perquisites and commission) in any one financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

III. Perquisites

Perquisites as follow will be paid and / or provided in addition to salary, subject however that the amount of perquisites, if taxable as per Income Tax Act, 1961, shall be restricted to total remuneration as per Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Part – A

a] Medical Reimbursement

Reimbursement of medical expenses actually incurred for self and family including dependent mother and father, subject to a ceiling of one month's salary per year or 3 months' salary in a block of 3 years.

b] Leave Travel Concession

For self and family including dependent father and mother, to and from any place in India, once in a year in accordance with the rules of the Company.

c] Club Fees

Fees of Club subject to a maximum of 2 clubs will be allowed, provided that no admission or life membership fees shall be paid.

Part – B

a] Provident Fund

Company's contribution to Provident Fund as per the scheme of the Company.

b] Pension / Superannuation Fund

Company's contribution to Pension / Superannuation Fund in accordance with the scheme of the Company.

c] Gratuity

As per the rules of the Company, payable in accordance with the approved fund at a rate not exceeding one-half month's salary for each completed year of service.

Part – C

a] Car

Use of Company's car with driver for business purposes.

b] Telephone

Free Telephone / Communication facilities at residence for business purposes.

IV. Other Benefits

Leave

On full pay and allowances as per rules of the Company, but not more than one month's leave for every 11 months of service. Leave not availed of shall be allowed to be encashed at the end of the tenure and the same will not be included in the computation of the ceiling on perquisites.

V. Overall Remuneration

The aggregate of salary, commission and perquisites in any financial year shall not exceed the limits prescribed from time to time under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

In case of any doubt / discrepancy / clarification that may arise with respect to payment of remuneration in excess of that entitled under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, but not exceeding the overall limits prescribed under the Act, the same shall be determined and decided by the Board.

VI. Minimum Remuneration

In the event of loss or inadequacy of profits, in any financial year during the currency of tenure of service, the payment of salary, commission, perquisites and other allowances shall be governed by the limits prescribed under Sections 196, 197 and Schedule V of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, including any statutory modification or re-enactment thereof, as may be for the time being in force.

VII. Three months notice shall be required on either side for termination of services.

In the opinion of the Board, Mr B Sreedhara Reddy proposed to be appointed as Director Administration fulfills the conditions specified in the section 149(6) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Board recommends the resolution set forth in Item no 8 for the approval of members. Except MrB Sreedhara Reddy being an appointee, none of the Directors and Key managerial personnel of the Company and their relatives is concerned or in interested, financial or otherwise, in the resolution set out at item no.8.

Item No.9:

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Lavanya & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2015-16.

The Resolution is recommended for your approval.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested financial or otherwise in the resolution set out at item No.9.

Item No.10:

The Articles of Association of the Company ("Articles") as currently in force was adopted pursuant to the provisions under the Companies Act, 1956. The Companies Act, 1956 has been superseded by

the Companies Act, 2013. The references to specific sections of the Companies Act, 1956 in the existing Articles of Association is hence to be amended to align the extant Articles with the provisions of the Companies Act, 2013 and rules thereunder.

Salient aspects of the proposed amended Articles:

Under the proposed amended Articles, salient aspects of sections of Table-F of Schedule I to the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares have been adopted. As mentioned in the previous para, changes that are required to be carried out pursuant to the Companies Act, 2013 and rules thereunder coming into force have been duly carried out.

The resolution as set out in item no. 10 has been recommended by the Board of Directors for approval of the Members by special resolution.

The proposed new draft of Articles of Association is also available for inspection by the Members at the Registered Office of the Company on any working day excluding public holidays and Sunday from the date here upto 30th September 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way are concerned or interested, financially or otherwise, in the Special Resolution set out at item No.10 of the Notice.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING
(Pursuant to Clause 49 of the Listing Agreement)**

Name of the Director	Mr G Viswanath	Mr BHR Balaji
Date of Birth	28.08.1960	12.04.1972
Date of Appointment	27.05.2015	05.01.2015
Qualifications	MBA.,	B.E., (Electronics)
Expertise in specific functional areas	Mr G Viswanath (DIN: 07192232) aged 55 years is a Post Graduate in Business Administration appointed as Nominee Director on behalf of Bank of India. His professional knowledge and expertise would be of immense useful to the efficient functioning of the Company.	Mr BHR Balaji (DIN: 00552538) 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 does not hold any committee memberships in any company.
List of Companies in which outside Directorships held as on 31.03.2015	Nil	Southern Biofe Biofuels Pvt Ltd
Chairman/Member of the *Committees of other Companies on which he/she is a Member as on 31.03.2015	Nil	Nil
Number of equity shares held in the Company	Nil	7,11,657

Name of the Director	Mr K Radha Krishna	Mr B Sreedhara Reddy
Date of Birth	12.02.1968	05.06.1969
Date of Appointment	05.01.2015	05.01.2015
Qualifications	B.E., (Civil)	B.E., (Civil)
Expertise in specific functional areas	Mr K Radha Krishna (DIN: 01585940) aged 47 years is Graduate in Civil Engineering from Nagarjuna University, Guntur. He has more than 24 years of experience. He has been the heading the Finance department of the Company since its inception. He is one of the Promoter- Director of the Company and in association with other directors, actively involved in the establishment India's first commercial biodiesel production unit established by the Company. Prior to promoting Southern Online, he was engaged in the business of software & hardware consultancy. He started his career in the construction industry.	Mr B Sreedhara Reddy (DIN: 01302512) aged 46 years is Graduate in Civil Engineering from Nagarjuna University, Guntur. He was involved in several construction projects. He has experience of more than 18 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 does not hold any committee Memberships in any Company. He is on the Board of the Company since November 1998.
List of Companies in which outside Directorship held as on 31.03.2015	Southern Biofe Biofuels Pvt Ltd. Southern Online Services Limited	Southern Biofe Biofuels Pvt Ltd. Southern Online Services Limited
Chairman/Member of the *Committees of other Companies on which he/she is a Member as on 31.03.2015	Nil	Nil
Number of equity shares held in the Company	25,34,657	21,22,157

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the Seventeenth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS:

The performance during the period ended 31st March, 2015 has been as under:

(Rs. in Lakhs)

Particulars	2014 – 15	2013 – 14
Total Income	24736.65	20151.14
Total Expenditure	27951.86	22677.89
Profit before Tax	(3215.21)	(2526.75)
Less: Provision for taxation	(2045.58)	(819.80)
Net Loss after Tax	(1169.63)	(1706.95)

STATE OF COMPANY AFFAIRS:

Operations:

The total revenue of the Company for the financial year ended 31st March, 2015 is Rs. 24736.65 Lakhs as compared to the previous year's total revenue of Rs. 20151.14 lakhs. During this financial year the Company has incurred a net loss of Rs.1169.63 Lakhs as against the previous year's net loss of Rs.1706.95 Lakhs. The net loss incurred is due to delay in getting the working capital limits and also plant was shutdown since October 2014 due to the damages caused by Hudhud cyclone.

Prospects:

Encouragement from Government under leadership of Hon'ble Prime Minister Sri Narendra Modi, the Government of India initiated the usage of Bio diesel in all transport sectors due to which the Bio diesel industry has become much more attractive than earlier within India itself. The Company has received good amount of Biodiesel supply orders from Road Transport Corporations and Indian Railways, besides the existing orders from domestic and international markets. Hence the Bio diesel business in India will emerge as one of the most attractive and important sector.

ISP Division

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

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

Bio diesel Division:

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

The Company has been supplying Bio diesel to various well reputed customers like India Railways,

Telangana State Road Transport Corporation, Sovino foods Pvt Ltd, Biking Foods Pvt Ltd, Jubilant Generics Ltd, Trimex Sands Pvt Ltd, G.S B Forge Pvt Ltd, Coronet Foods Pvt Ltd, Bio Future Ltd, Baharat Petroleum Corporation Ltd, My ECO Energy Ltd and other traders etc.,

Plant at Visakhapatnam:

The Company has executed 6000 MTs UCOME / PUCO order of Europe successfully. All the external damages of Hudhud cyclone have been restored and very shortly will commence the operations after thorough check for the internal damages.

Plant at Tondiarpet, Chennai:

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

IROAF order for another Biodiesel plant at Raipur, Chattisgarh:

Company has become L1 in the tender of executing the Raipur Bio diesel plant at Chattisgarh for IRAOF and awaiting for the execution order.

Bio diesel orders:

The Company has received Biodiesel supply Orders from Indian Railways, Telangana State Road Transport Corporation and many orders from Advait.

ISCC certificate:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Clause 49 of the Listing Agreements with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the Statutory Auditors of the company M/s. P Murali & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is included as a part of this report.

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to BSE where the Company's Shares are listed.

DEMATERIALISATION OF SHARES:

92.71% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2015 and balance 7.29% is in physical form. The Company's Registrars are M/s Aarathi Consultants Pvt. Ltd., having their registered office at 1-2-285, Domalguda, Hyderabad - 500 029.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of the section 161(1) of the Companies Act, 2013 read with the Articles of Association of the company, Mr. G Viswanath is appointed as Nominee Director (Bank of India) who shall hold office only up to the date of this Annual General Meeting. Now the Board proposes to appoint him as Nominee Director (Bank of India) not liable to retire by rotation.

Notice has been received from a Member proposing candidature of the Director namely Mr.G Viswanath for the office of Director of the Company. A brief profile of proposed Nominee Director (Bank of India), including nature of his expertise, is provided in the Annual Report.

Mr. N Satish Kumar will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

Mr K. Radha Krishna will retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

Mr BHR Balaji re-appointed as an Executive Director for a period of three years w.e.f. 5th January 2015.

Mr K. Radha Krishna re-appointed as an Whole Time Director & CFO for a period of three years w.e.f. 5th January 2015.

Mr B. Sreedhara Reddy re-appointed as an Director - Administration for a period of three years w.e.f. 5th January 2015.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received a declaration from MsT Rohini Reddy, Mr Bachala Ashok and Mr Ashiwini Kumar Tripathi directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and are annexed herewith. (Annexure – A)

NUMBER OF MEETINGS OF THE BOARD:

During the Financial Year 2014-15 the Board of Directors met 9 times on the following dates: 09th April 2014, 30th May 2014, 18th July 2014, 14th August 2014, 13th September 2014, 01st October 2014, 14th November 2014, 12th February 2015 and 30th March 2015.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) in the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

AUDITORS:

i) Statutory Auditors:

The Auditors, M/s. P Murali & Co., Chartered Accountants, Hyderabad retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

ii) Cost Auditors:

M/s. Lavanya & Associates, Cost Accountants were appointed as Cost Auditors for auditing the cost accounts of your Company for the financial year 2015-16 by the Board of Directors. The Cost Audit Report for the year 2013-14 has been filed under XBRL mode within the due date of filing.

iii) Internal Auditors

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

iv) Secretarial Audit:

According to the provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report (Annexure-1.)

AUDITORS REPORT:

The Board has duly reviewed the Statutory Auditors Report on the Accounts for the year ended 31st March 2015 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.

SECRETARIAL AUDIT REPORT:

The Board has duly reviewed the Secretarial Auditor Report for the year ended 31st March 2015 and has noted that the same does not have any reservation, qualification or adverse remarks.

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. During the year the company has allotted 77,15,414 Equity shares of Rs 10/- each. The paid up capital of the Company is Rs 58,99,32,880 divided into 5,89,93,288 equity shares of Rs 10/- each.

INFORMATION ABOUT SUBSIDIARIES:

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

INVESTMENT IN MARVEL BIO OIL FZE:

Company has acquired in the financial year 2015-16, M/s. Marvel Bio Oil FZE in Hamriyah Free Zone, Sharjah, United Arab Emirates, to facilitate the trading activity in Middle East. Subsequent to acquisition M/s Marvel Bio Oil FZE has become 100% Subsidiary of the Company.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec. 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

Your Company has well established procedures for internal control across its various locations, commensurate with its size and operations. The organization is adequately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment. The internal audit function is adequately resourced commensurate with the operations of the Company and reports to the Audit Committee of the Board.

INSURANCE:

The properties and assets of your Company are adequately insured.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Directors are happy to report that your Company is compliant with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from the Statutory Auditor confirming compliance is set out in the Annexure forming part of this report.

SECRETARIAL STANDARDS:

Event based Disclosures

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

1. Issue of sweat equity share: Not Applicable (NA)
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment of Shares: Yes

EMPLOYEE RELATIONS:

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 5,00,000/- and above per month or Rs.60,00,000/- and above in aggregate per annum, the limits prescribed under Section 134 of the Companies Act, 2013.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

No. of complaints received:	Nil
No. of complaints disposed off:	Nil

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure-B to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.sol.net.in under investors.

RELATED PARTY TRANSACTIONS:

Pursuant to the Share holders approval in the Annual General Meeting held on 30th September 2014, the Company took on lease of Four wheeler Vehicles (Cars) from Three Whole Time Directors of the Company.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-2.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given loans, Guarantees or made any investments during the year under review.

RATIO OF REMUNERATION TO EACH DIRECTOR:

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

STATUTORY COMPLIANCE:

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

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management is provided elsewhere in this Annual Report in Management Discussion and Analysis.

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 Aarthi 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.

CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with 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 Pvt Ltd forms part of this annual report.

ACKNOWLEDGEMENT:

Directors take this opportunity to express their thanks to various departments of the Central and State Government, Indian Railways Organisation for Alternate fuels, Indian Railways, Telangana State Road Transport Corporation, Bankers, employees, Material Suppliers, Customers and Shareholders for their continued support and guidance.

The Directors wish to place on record their appreciation for the dedicated efforts put in by the Employees of the Company at all levels.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 07.08.2015

Sd/-
N Satish Kumar
Managing Director

Sd/
K Radha Krishna
Whole Time Director & CFO

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Southern Online Bio Technologies Limited.

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Date: 09.04.2014
Place: Hyderabad

Thanking You.
Yours Faithfully,
Sd/-
T Rohini Reddy
(Independent director)

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Southern Online Bio Technologies Limited.

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Date: 09.04.2014
Place: Hyderabad

Thanking You.
Yours Faithfully,
Sd/-
Bachala Ashok
(Independent director)

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Board of Directors
M/s Southern Online Bio Technologies Limited.

Dear Sir,

I undertake to comply with the conditions laid down in Sub-clause of Clause 49 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

(a) I declare that up to the date of this certificate, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.

(b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.

(c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:

(i) the statutory audit firm or the internal audit firm that is associated with the Company and

(ii) the legal firm(s) and consulting firm(s) that have a material association with the company

(d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.
Yours Faithfully,
Sd/-

Ashwini Kumar Tripathi
(Independent director)

Date: 09.04.2014
Place: Hyderabad

FORM MR-3
SECRETARIAL AUDIT REPORT
(Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2014 and ended 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Southern online Bio Technologies Limited ("The Company") for the financial year ended on 31st March, 2015, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
 - v. The Securities and Exchange Board of India Act, 1992 ('SEBI Act');
2. During the year the Company has allotted 77,15,414 equity shares on preferential basis to promoters and

others in accordance with The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

3. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company under the financial year under report except yearly or event based disclosures in terms of SEBI Takeover Regulations & Insider Trading Regulations.

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- iv. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- vi. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

4. We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company secretaries of India under the provisions of Companies Act, 1956 and
- ii. The Listing Agreements entered into by the Company with BSE Limited;

We further report that:-

The Company since engaged in the manufacture of Bio-diesel is subjected to compliance of The Environment (Protection) Act, 1986, The Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008, The Water (Prevention & Control of Pollution) Act, 1974 and accordingly has complied with the said laws and obtained license from State Pollution Control Board for carrying on operations and also filed necessary returns with in the time period.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

Place: Hyderabad

Date: 07.08.2015

For S.S. Reddy & Associates

S. Sarveswar Reddy
Practicing Company Secretaries
C. P. No: 7478

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

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

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

Place: Hyderabad
Date: 07.08.2015

For S.S. Reddy & Associates

S. Sarveswar Reddy
Practicing Company Secretaries
C. P. No: 7478

ANNEXURE - B

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies Accounts) Rules, 2014 are provided hereunder:

(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 31.03.2015	As at 31.03.2014
Export of Goods	7,592.85	10,095.73
Total	7,592.85	10,095.73

(ii) Foreign exchange Outflow

(Rs in Lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
For Purchases	8301.23	8018.55
Membership Fee	Nil	Nil
Total	8301.23	8018.55

ANNEXURE - C

FORM AOC-2

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

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

1. Details of contracts or arrangements or transactions at Arm's length basis:

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

For Southern Online Bio Technologies Ltd.

Place: Hyderabad
Date : 07.08.2015

Sd/-
N Satish Kumar
Managing Director

Sd/-
K Radha Krishna
Whole Time Director & CFO

ANNEXURE - 2

EXTRACT OF ANNUAL RETURN FORM MGT 9
(Pursuant to Section 92 (3) of the Companies Act, 2013 and
Rule 12(1) of the Company (Management & Administration) Rules, 2014)

Financial Year ended on 31.03.2015

I. REGISTRATION & OTHER DETAILS :			
i	CIN	:	L72900TG1998PLC030463
ii	Registration Date	:	09.11.1998
iii	Name of the Company	:	SOUTHERN ONLINE BIO TECHNOLOGIES LTD.
iv	Category/Sub-category of the Company	:	Company having Share Capital
v	Address of the Registered office & contact details	:	# 8-3-833/173, Kamalapuri Colony, Phase-II, Hyderabad – 500073 Tel:(040) 4922 1999, Fax: (040) 4922 1998 Website : www.sol.net.in Email : info@sol.net.in
vi	Whether listed company	:	Yes (Listed in BSE)
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	Aarathi Consultants Pvt. Ltd. 1-2-285, Domalguda, Hyderabad - 500 029 Phone: 040 - 27642217 / 27638111 Fax: 040-27632184 Email: info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

SI No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of Biodiesel	40107	37
2	Trading of Used Cooking Oil	63023	61

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

SI No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Southern Biofe Biofuels Pvt. Ltd.	U40107TG2002PTC038919	Subsidiary	99.97%	2(87)
2.	Marvel Bio Oil FZE Sharjah, UAE	-	Foreign Subsidiary	100%	2(87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	9767721	0	9767721	19.05	11555081	0	11555081	19.59	0.54
(1) Indian									
a) Individual/ HUF									
b) Central Govt	0	0	0	0					
c) State Govt (s)	0	0	0	0					
d) Bodies Corp.	0	0	0	0					
e) Banks/FI	0	0	0	0					
f) Any Other.									
Sub-total (A) (1):-	9767721	0	9767721	19.05	11555081	0	11555081	19.59	0.54
(2) Foreign									
a) NRIs - Individuals	0	0	0	0					
b) Other - Individuals									
c) Bodies Corp.	0	0	0	0					
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0					
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	9767721	0	9767721	19.05	11555081	0	11555081	19.59	0.54
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	7369450		7369450	14.37	4975125	7730036	12705161	8.43	(5.94)
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	7369450	0	7369450	14.37	4975125	7730036	12705161	21.53	7.16
2. Non-Institutions									
a) Bodies Corp.	6547695	47046	6594741	12.86	6033496	47046	6080542	10.31	(2.55)
i) Indian									
ii) Overseas									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5971798	308567	6280365	12.25	5981578	304777	6286355	10.66	(1.59)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13413590	3868369	17281959	33.70	16627529	461600	17089129	28.97	(4.73)
NRIs	2444441	71300	2515741	4.91	3163303	71300	3234603	5.48	0.57
Overseas									
Corporate Bodies	0	10000	10000	0.02	0	10000	10000	0.02	0
Clearing Members	181795	0	181795	0.35	736315	0	726315	1.23	0.88
Foreign Nationals	1276102	0	1276102	2.49	1276102	0	1276102	2.16	0.33
c) Others (specify)	0	0	0	0	30000	0	30000	0.05	0.05
Sub-total (B)(2):-	29835421	4305282	34140703	66.58	33838323	894723	34733046	58.88	(7.70)
Total Public Shareholding (B) = (B)(1) + (B)(2)	37204871	4305282	41510153	80.95	38813448	8624759	47438207	80.41	(0.54)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	46972592	4305282	51277874	100	50368529	8624759	58993288	100	15.05

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr N Satish Kumar	5271292	10.28	5.42	6027652	10.22	10.22	1.28
2	Mr K Radha Krishna	1973657	3.85	2.06	2534657	4.30	4.30	0.95
3	Mr BHR Balaji	711657	1.39	0.89	711657	1.20	0.77	
4	Mr B Sreedhara Reddy	1652157	3.22	2.06	2122157	3.60	0.77	0.80
5	Ms K Subhashini	97500	0.19	-	97500	0.17	-	0.00
6	Ms K Sumithra	51000	0.10	-	51000	0.09	-	0.00
7	Ms N Rama Devi	10458	0.02	-	10458	0.02	-	0.00
	Total	9767721	19.05	10.43	11555081	19.59	18.89	3.03

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	9767721	19.05	9767721	19.05
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc):	1787360 equity shares allotted to promoters through preferential allotment on 30.05.2014.	3.03	1787360	3.03
3	At the End of the year	11555081	19.59	11555081	19.59

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	17835700	34.78	17835700	34.78
2	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):	No equity shares allotted to top 10 Shareholders during the year 2014-15	-	-	-
3	At the End of the year (or on the date of separation, if separated during the year)	19077959	32.34	19077959	32.34

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	9664363	18.85	9664363	18.85
2	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1787360 equity shares allotted to promoters on 30 th May 2014 through Preferential allotment	-	-	-
3	At the End of the year	11451723	19.41	11451723	19.41

V. INDEBTEDNESS:

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

(Rs in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	12895.89	601.75	-	13497.64
i) Principal Amount	0.13	-	-	0.13
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	12896.02	601.75	-	13497.77
Change in Indebtedness during the financial year				
• Addition	1687.27	201.60	-	1888.87
• Reduction	-	(596.80)	-	(596.80)
Net Change	1687.27	(395.20)	-	1292.07
Indebtedness at the end of the financial year				
i) Principal Amount	14583.16	206.55	-	14789.71
ii) Interest due but not paid	9.37	-	-	9.37
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	14592.53	206.55	-	14799.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr N Satish Kumar Managing Director	Mr K Radha Krishna WTD	Mr B Sreedhara Reddy WTD	Mr BHR Balaji WTD	Ms G Anupama, CS KMP	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	19.20	12.00	12.00	12.00	6.12	61.32
2.	Stock Option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total (A)	19.32	12.00	12.00	12.00	6.12	61.32

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

The total revenue of the Company for the financial year ended 31st March, 2015 is Rs. 24736.65 Lakhs as compared to the previous year's total revenue of Rs. 20151.14 lakhs. During this financial year the Company has incurred a net loss of Rs.1169.63 Lakhs as against the previous year's net loss of Rs.1706.95 Lakhs. The net loss incurred is due to delay in getting the working capital limits and plant was shutdown since October 2014 due to the damages caused by Hudhud cyclone.

Encouragement from Government under leadership of Hon'ble Prime Minister Sri Narendra Modi, the Government of India initiated the usage of Bio diesel in all transport sectors due to which the Bio diesel industry has become much more attractive than earlier within India itself. 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 Company has received good amount of Biodiesel supply orders from Road Transport Corporations, Indian Railways and many orders from Advait besides the existing orders from domestic and international markets. Hence the Bio diesel business in India will emerge as one of the most attractive and important sector.

b) Internal Control Systems and their Adequacy:

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

c) Financial and Operational Performance:

The Highlights of Financial Operational Performance are given below :

(Rs. in Lakhs)

Particulars	2014 – 15	2013 - 14
Total Income	24736.65	20151.14
Total Expenditure	27951.86	22677.89
Profit before Tax	(3215.21)	(2526.75)
Less: Provision for taxation	(2045.58)	(819.80)
Net Loss after Tax	(1169.63)	(1706.95)

The net loss incurred is due to delay in getting the working capital limits and plant was shutdown since October 2014 due to the damages caused by Hudhud cyclone.

d) Human Resources Development and Industrial Relations:

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

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

REPORT ON CORPORATE GOVERNANCE

In terms of Compliance to Clause 49 of the Listing Agreement on Corporate Governance, your Company is complying with the guidelines. The report for current year is as follows:

Company's Philosophy:

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.

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

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2015. The Report is updated as on the date of the report wherever applicable.

1) Board of Directors:

A) Composition

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 2015 the Board consists of 8 Directors, four of whom are Executive or Whole Time Directors, Three 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.

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, 2015.

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 are given below.

Composition and category of Directors on the Board for the year 2014-15 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, Whole-Time Director & CFO	2	NIL	25,34,657

B Sreedhara Reddy	Promoter & Director Administration	2	NIL	21,22,157
BHR Balaji	Promoter & Executive Director	1	NIL	7,11,657
T Rohini Reddy	Independent Director & Non-Executive Chairperson	NIL	NIL	5,000
Ashiwini Kumar Tripathi	Independent & Non-Executive Director	7	NIL	20,600
Bachala Ashok	Independent & Non-Executive Director	NIL	NIL	NIL
Rajkumar Singh Chouhan*	Nominee Director (Bank of India)	NIL	NIL	NIL
G Viswanath**	Nominee Director (Bank of India)	NIL	NIL	NIL

*Mr Rajkumar Singh Chouhan resigned as Nominee Director on 27th May 2015

**Mr G Viswanath was appointed as Nominee Director w.e.f 27th May 2015.

Note: Number of Directorships in other Companies includes listed, unlisted, public and private Companies.

B) Meeting During the year

During the Financial Year 2014-15 the Board of Directors met 9 times on the following dates:

09th April 2014, 30th May 2014, 18th July 2014, 14th August 2014, 13th September 2014, 01st October 2014, 14th November 2014, 12th February 2015 and 30th March 2015.

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, 2014.

Name of the Director	No. of Board Meetings attended	Whether attended the last AGM
N Satish Kumar	8	No
K Radha Krishna	9	No
B Sreedhara Reddy	7	Yes
BHR Balaji	1	No
Y Anand Swaroop*	3	No
T Rohini Reddy	9	Yes
Ashiwini Kumar Tripathi	1	No
Kishor Shah**	-	No
Christian A Schmidt***	-	No

Rajkumar Singh Chouhan	1	No
Bachala Ashok	6	No

*Mr Y Anand Swaroop resigned w.e.f 14th August 2014

** Mr Kishor Shah resigned w.e.f. 1st October 2014

*** Mr Christian A Schmidt resigned w.e.f 14th August 2014.

C) 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.

D) Independent Directors' Meeting

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 30.03.2015, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under clause 49(II)(B)(7) of the listing agreement, the company regularly familiarises Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc. The details of the familiarisation program is given at company's website ([www.sol.net.in/ Investor](http://www.sol.net.in/Investor))

2) Audit Committee:

A) Brief Description of Terms of References:

- 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 2014 and Ms T Rohini Reddy Chairperson of the Audit Committee, attended previous AGM.

B) 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.

C) No. of Meetings held during the year:

During the year the Audit Committee had 4 Meetings i.e. on 30th May 2014, 14th August 2014, 14th November 2014 and 12th February 2015.

The necessary quorum was present at all the meetings

Composition, name of Members and attendance during the year 2014-15:

Name	Number of meetings held during the year	Number of meetings attended during the year
T Rohini Reddy	4	4
Y Anand Swaroop	4	2
Ashiwini Kumar Tripathi	4	-
Bachala Ashok	4	2

The Chairperson of the Audit Committee was present at the last Annual General Meeting.

3).Nomination and Remuneration Committee:

The Committee comprises of three non-executive independent Directors as on 31st March, 2015

A) Brief Description of Terms of Reference

- ◆ To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
 - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
 - b. to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- ◆ To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- ◆ To carry out evaluation of every Director's performance.
- ◆ To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- ◆ To formulate the criteria for evaluation of Independent Directors and the Board.
- ◆ To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

B) Composition of the Committee

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	Kishor Shah*	Member	Non-Executive & Independent Director

3	Bachala Ashok**	Member	Non-Executive & Independent Director
4	Ashiwini Kumar Tripathi***	Member	Non-Executive & Independent Director

* Mr Kishor Shah resigned from the Committee membership w.e.f 01st October 2014.

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

*** Mr Ashwini Kumar Tripathi was appointed as member of the Committee w.e.f 01st October 2014.

C) Remuneration Policy

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

2.1 **"Director"** means a director appointed to the Board of a Company.

2.2 **"Nomination and Remuneration Committee"** means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.

2.3 **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- ◆ General understanding of the company's business dynamics, global business and social perspective;
- ◆ Educational and professional background
- ◆ Standing in the profession;

- ✦ Personal and professional ethics, integrity and values;
- ✦ Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- ✦ shall possess a Director Identification Number;
- ✦ shall not be disqualified under the companies Act, 2013;
- ✦ shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- ✦ shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- ✦ shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- ✦ Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, Equity listing Agreements and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

3.2 Criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

3.2.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

3.3 Other directorships/ committee memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as director of the company. The Nomination and Remuneration Committee shall take into account the nature of and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

Remuneration policy for Directors, Key Managerial Personnel and other employees:

1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a director appointed to the Board of the company.

2.2 "key managerial personnel" means

- (i) The Chief Executive Office or the managing director or the manager;
- (ii) The company secretary;
- (iii) The whole-time director;
- (iv) The chief finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and clause 49 of the Equity Listing Agreement.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration committee shall review and approve the remuneration payable to the Executive Director of the company within the overall limit approved by the shareholders.

3.1.2 The Board on the recommendation of the Nomination and Remuneration committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)

(v) Retrial benefits

(vi) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the Nomination and Remuneration committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

D. REMUNERATION TO DIRECTORS PAID DURING THE FINANCIAL YEAR 2014-15 AND OTHER DISCLOSURES

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

E. FORMAL ANNUAL EVALUATION:

As per section 149 of the Companies Act, 2013 read with clause VII (1) of the schedule IV and rules made thereunder, the independent directors of the company had a meeting on 30/03/2015 without attendance of non-independent directors and members of management. In the meeting the following issues were taken up:

(a) Review of the performance of non-independent directors and the Board as a whole;

- (b) Review of the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assessing the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting also reviewed and evaluated the performance of non independent directors. The company has 4 (Four) non-independent directors namely:

- i.) Mr N Satish Kumar - Managing Director
ii.) Mr K Radha Krishna – Whole Time Director & CFO.
iii.) Mr BHR Balaji – Executive Director
iv) Mr B Sreedhara Reddy- Director Administration

The meeting also reviewed and evaluated the performance the Board as whole in terms of the following aspects:

- ✦ Preparedness for Board/Committee meetings
- ✦ Attendance at the Board/Committee meetings
- ✦ Guidance on corporate strategy, risk policy, corporate performance and overseeing acquisitions and disinvestments.
- ✦ Monitoring the effectiveness of the company's governance practices
- ✦ Ensuring a transparent board nomination process with the diversity of experience, knowledge, perspective in the Board.
- ✦ Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for financial and operational control and compliance with the law and relevant standards.

It was noted that the Board Meetings have been conducted with the issuance of proper notice and circulation of the agenda of the meeting with the relevant notes thereon.

4) Corporate Social Responsibility Committee (CSR):

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

5) Stakeholders Relationship Committee:

A) Terms of reference:

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

B) Composition of the Committee:

The Committee consists of 1 Non-Executive and Independent Director and 2 Executive Directors.

C) No. of meetings held and attended during the year:

During the year the 4 Stakeholders Relationship Committee Meetings were held i.e. on 4th April, 2014, 18th July, 2014, 18th October, 2014 and 16th January, 2015. The attendance of the Members at the meeting was as under:

Name of the Director	Position	No. of Meetings held	No. of Meetings Attended
Ms T Rohini Reddy	Chairperson	4	4
Mr N Satish Kumar	Member	4	4
Mr. K Radha Krishna	Member	4	4

D) Name and Designation of Compliance Officer:

Ms. G Anupama, Company Secretary and Compliance Officer.

E) Shareholder's Grievances:

Sl.No.	Nature of Complaints	2014-2015		2013-2014	
		Received	Answered	Received	Answered
1.	Non receipt of Shares lodged for Demat	Nil	Nil	Nil	Nil
2.	Others	Nil	Nil	Nil	Nil

6) RISK MANAGEMENT COMMITTEE

A) Composition:

The Details of composition of the Committee are given below:

Name of the Director	Position	Category
Ms T Rohini Reddy	Chairperson	Independent Non-Executive
Mr. N Satish Kumar	Member	Executive
Mr. K Radha Krishna	Member	Executive

B) Role and Responsibilities of the Committee includes the following:

- ✦ Framing of Risk Management Plan and Policy
- ✦ Overseeing implementation of Risk Management Plan and Policy
- ✦ Monitoring of Risk Management Plan and Policy
- ✦ Validating the process of risk management
- ✦ Validating the procedure for Risk minimisation
- ✦ Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.

- ◆ Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

7) General Body Meetings:

Financial year	Date	Time	Venue	Resolutions Passed
16 th AGM 2013-14	30.09.2014	10.30 AM	Dwaraka Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad 500 030	<ol style="list-style-type: none"> 1. Appointment of Mr Bachala Ashok as an Independent Director. 2. Appointment of Ms T Rohini Reddy as an Independent Director. 3. Appointment of Mr Ashiwini Kumar Tripathi as an Independent Director. 4. Appointment of Mr Kishor Shah as an Independent Director. 5. Contract to take on lease four wheeler vehicles (cars) from Whole Time Directors of the Company 6. Amendment of Articles of Association of the Company.
15 th AGM 2012-13	30.09.2013	10.30 AM	Dwaraka Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad 500 030	<ol style="list-style-type: none"> 1. No Special Business in this meeting.
14 th AGM 2011-12	29.09.2012	11.30 AM	Maisamma Garden, #4-1-6/2, Kalikanagar, Opp. Kalimandir Temple, Bandlaguda Jagir, Rajendranagar, Hyderabad 500 086	<ol style="list-style-type: none"> 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.

Postal Ballot Meetings

Financial year	Date	Time	Venue	Resolutions Passed
2013-14	11.06.2013	04.30 PM	3A, 3 rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad 500 004	<ol style="list-style-type: none"> 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 Crores u/s 293(1)(d) and other applicable provisions if any of the Companies

				<p>Act, 1956. (68,17,461 voted for and 12,920 voted against for this resolution.)</p> <p>3. Creation of Charge on Movable and Immovable properties o 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.)</p>
2014-15	10.05.2014	04.30 PM	3A, 3 rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad 500 004	<p>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)</p> <p>2. Increase in Borrowing Limits from Rs 279 Crores to Rs 459 Crores 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)</p>
2014-15	21.08.2014	4.30 PM	# 8-3-833/173, Kamalapuri colony, Phase II, Hyderabad 500 073	<p>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. (2,2856192 voted for and 510 voted against for this resolution) (Mr Vivek Surana is the scrutinizer for this postal ballot.</p>

8) Disclosures:

✦ The Company has not 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 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 communication are not sent to the shareholders.

10) SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

11) General Shareholder's Information:

Seventeenth Annual General Meeting

Date and Time : Wednesday the 30th September 2015 at 10.30 am
Venue : Mrugavani Resorts
177/1, Aziz Nagar, Moinabad
Hyderabad – 500 075

Financial year to which the AGM relates to is 2014-15

Financial Calendar 2015-16 (Tentative Schedule)

For the Quarter ended 30th June, 2015, the Company has already declared the Unaudited Financial Results on August 07, 2015.

Adoption of Quarterly results for the Quarter ending

30th September, 2015 : 1st/2nd Week of November, 2015

31st December, 2015 : 1st/2nd Week of February, 2016

31st March, 2016 : on or before 15th May 2016

Annual General Meeting (Next year) : August / September, 2016

Book Closure Date

24th September 2015 to 30th September 2015 (both days inclusive)

Listing on Stock Exchanges : BSE Ltd

Stock Code

Stock Code / Symbol : BSE: 532669 / SBTL

Demat ISIN number in NSDL & CDSL : INE 371B01015

Electronic Connectivity

National Securities Depository Limited

Trade World, A Wing,
4th & 5th Floor,
Kamala Mills Compound, Lower Parel,
Mumbai - 400 013.

Central Depository Services (India) Limited

Regd. Office: 17th Floor,
P J Towers,
Dalal Street, Fort,
Mumbai - 400 001

12) Stock Market Data

The monthly high / low prices of shares of the Company from April, 2014 to March, 2015 at Bombay Stock Exchange Limited.

Scrip Code: 532669 Company Name: Southern Online Bio Technologies Limited
For the period April 2014 to March 2015

Date	High (Rs.)	Low (Rs.)	No. of Shares
April 2014	5.62	4.46	307445
May 2014	8.62	4.33	1109001
June 2014	7.82	5.97	419883
July 2014	6.87	5.75	361810
August 2014	7.13	6.26	181513
September 2014	9.73	7.50	674684
October 2014	8.00	6.29	235667
November 2014	7.02	5.30	2687317
December 2014	5.87	4.43	136896
January 2015	5.27	4.50	147700
February 2015	5.91	4.04	830724
March 2015	5.41	3.45	1460966

13) Registrars and Transfer Agents

Aarhi Consultants Pvt. Ltd.
 1-2-285, Domalguda, Hyderabad- 500 029.
 Tel: (040) 27642217/27638111
 Fax: (040) 27632184
 Email: info@aarhiconsultants.com

14) 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. Aarhi Consultants Private Limited, Domalguda, Hyderabad. The requests received for transfer of shares in physical form are generally completed within the stipulated time.

15) Shareholding Pattern as on 31st March, 2015

Category	No. of Share Holders	Voting Strength %	No. of Shares Held	% of Share Holding
Promoters	7	19.59	11555081	19.59
Companies	178	10.31	6080542	10.31
FIs	4	8.43	4975125	8.43
OCBs and NRIs	75	11.78	6948169	11.78
Mutual Funds, Banks, FIs	0	0.00	0	0.00
Individuals	8297	40.68	23995185	40.68
Others	38	9.21	5439186	9.21
Total	8599	100.00	58993288	100.00

16) Distribution of Share Holdings:

No. of Equity Shares Held	As on 31.03.2015				As on 31.03.2014			
	No. of share holders	% of Share holders	No. of Shares	% of Share holding	No. of share holders	% of Share holders	No. of Shares	% of Share holding
1-500	5989	69.65	1488720	2.52	6301	70.44	1566225	3.04
501-1000	1008	11.72	897216	1.52	1048	11.72	926237	1.81
1001-2000	564	6.56	923328	1.57	563	6.29	917155	1.79
2001-3000	255	2.97	669008	1.13	269	3.01	700762	1.37
3001-4000	105	1.22	381861	0.65	114	1.27	415622	0.81
4001-5000	152	1.77	734610	1.25	129	1.44	623404	1.22
5001-10000	221	2.57	1661338	2.82	217	2.43	1651186	3.22
10001 and above	305	3.55	52237207	88.55	304	3.40	44477283	86.74
Total	8599	100.00	58993288	100.00	8945	100.00	51277874	100.00

17) Dematerialisation of shares and Liquidity

Particulars	No. of shares	% of share capital
NSDL	3,70,34,972	62.78
CDSL	1,76,56,824	29.93
Physical	43,01,492	7.29
Total	5,89,93,288	100.00

18) Plant Locations

Unit – I : Samsthan Narayanapur (V&M)
Nalgonda Dist., Telangana

Unit - II Plot No. 45/A, APIIC-SEZ
Atchutapuram (V & M)
Visakhapatnam Dist – 531011
Andhra Pradesh

19) Address for correspondence : G Anupama
Company Secretary & Compliance Officer
H No. 8-3-833/173,
Kamalapuri Colony, Phase - II
Hyderabad – 500 073
Tel: 040-49221999, Fax: 040-49221998
Website: www.sol.net.in, email: info@sol.net.in

20) Risk Management:

The company has been addressing various risks impacting the company and the policy of the company on risk management is provided elsewhere in this annual report in Management Discussion and Analysis.

21) Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the company has instituted a code of conduct for prohibition of insider trading in the company's shares.

22) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and the total number of shares in physical form.

23) Corporate Identity Number (CIN):

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L72900TG1998PLC030463.

24) CEO / CFO Certification:

As required by Clause 49 of the Listing Agreement, the CEO / CFO Certification is provided in the Annual Report.

25) Green Initiative in the Corporate Governance:

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

For and on behalf of the Board of Directors

Place: Hyderabad
Date : 07.08.2015

Sd/-
N Satish Kumar
Managing Director

Sd/-
K Radha Krishna
Whole Time Director & CFO

CEO AND CFO CERTIFICATION

We, N Satish Kumar, Managing Director and K Radha Krishna, Chief Financial Officer responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2015 and to the best of our Knowledge and belief:
- i) These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our Knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) i) There has not been any significant change in internal control over financial reporting during the year under reference.
- ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
- iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad

Date : 07.08.2015

Sd/-
N Satish Kumar
Managing Director

Sd/-
K Radha Krishna
Whole Time Director & CFO

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Southern Online Bio Technologies Ltd.

We have examined the compliance of conditions of Corporate Governance by Southern Online Bio Technologies Ltd., for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2015, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Committee.

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
FRN:007257S

Sd/-
A Krishna Rao
(Partner)
Membership No. 020085

Place : Hyderabad
Date : 27.05.2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Southern Online Bio Technologies Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **Southern Online Bio Technologies Ltd.** ("the Company"), and its subsidiary (the holding company and its subsidiary together referred to as "the Group") which comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as 'Consolidated Financial Statements')

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section (134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, consolidated financial performance preparation and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. The respective board of directors of the companies included in the group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of consolidated financial statements by the directors of holding company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the holding Company's preparation of the consolidated financial statements, that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the holding Company's Directors, as well as evaluating the overall 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the group as at 31st March 2015, their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comment in the auditor's report of the holding company and subsidiaries incorporated in India to whom the order applies. We give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by section 143(3) of the Act, we further report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated financial statements;

d) In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the Directors of holding company as on March 31, 2015, and taken on record by the Board of Directors of the holding company and report of the auditor who are appointed under section 139 of the Act, of its subsidiaries companies incorporated in India, none of the directors of group companies incorporated in India are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding Company and its subsidiaries incorporated in India.

For P Murali & Co.,

Chartered Accountants

Firm Registration No: 007257S

Sd/-

A Krishna Rao

Partner

M.No. 020085

Place : Hyderabad

Date : 27.05.2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2015

Particulars	Note No	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	58,99,32,880	51,27,78,740
(b) Reserves and Surplus	2	(51,45,33,345)	(39,70,02,005)
(c) Minority Interest		1,030	1,030
(2) Share application money pending for allotment	3	30	7,71,54,170
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	148,13,44,741	129,32,13,555
(b) Deferred tax liabilities (Net)	5	(16,85,97,988)	3,59,59,554
(c) Other Long term liabilities	6	5,80,00,000	5,80,00,000
(4) Current Liabilities			
(a) Short-term borrowings	7	36,18,42,594	14,27,59,867
(b) Trade payables	8	64,12,55,355	43,70,27,487
(c) Short-term provisions	9	1,36,55,175	1,22,19,179
Total		246,29,00,472	217,21,11,578
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10 & 11	111,50,95,265	122,96,24,923
(ii) In Tangible assets	10 & 11	-	2,75,46,114
(iii) CWIP	10 & 11	3,03,23,454	49,82,182
(b) Long term loans and advances	12	-	1,18,84,852
(c) Other non-current assets	13	9,92,54,006	4,84,94,866
(2) Current assets			
(a) Inventories	14	31,49,60,085	34,85,62,240
(b) Trade receivables	15	58,23,06,734	35,91,63,719
(c) Cash and cash equivalents	16	1,62,19,519	6,39,80,028
(d) Short-term loans and advances	17	30,47,41,409	7,78,72,654
Total		246,29,00,472	217,21,11,578

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.,

For Southern Online Bio Technologies Ltd,

Chartered Accountants
Firm Regn. No: 007257S

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Whole Time Director & CFO

Sd/-
A.Krishna Rao
Partner

Sd/-
G.Anupama
Company Secretary

M.No.020085
Place : Hyderabad
Date: 27.05.2015.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note No	For the year ended 31.03.2015	For the year ended 31.03.2014
		(Rupees)	(Rupees)
I. Revenue from operations	18	246,95,02,160	201,40,12,108
II. Other Income	19	41,62,945	11,02,082
III. Total Revenue (I + II)		247,36,65,105	201,51,14,190
IV. Expenses:			
Cost of materials consumed	20	80,28,57,825	87,00,37,993
Purchase of Stock-in-Trade	20	139,60,63,575	91,94,27,173
Changes in inventories of finished goods, work-in-progress	21	(2,10,99,586)	(5,38,02,201)
Employee benefit expense	22	2,62,80,411	2,71,88,858
Other operating expenses	23	19,56,91,348	17,32,41,116
Administrative Expenses	24	3,81,81,833	3,14,68,973
Finance costs	25	19,71,43,890	18,31,56,055
Depreciation and amortization expense	10 & 11	11,96,00,048	7,80,73,790
Other expenses	26	4,24,67,301	4,09,97,905
Total Expenses		279,51,86,446	226,77,89,662
V. Profit before exceptional and extraordinary items and tax (III-IV)		(32,15,21,341)	(25,26,75,472)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(32,15,21,341)	(25,26,75,472)
VIII. Extraordinary Items			
(1) Losses due to Cyclone HudHud		19,14,29,244	-
(2) Insurance claimed for Cyclone loss		(19,14,29,244)	-
IX. Profit before tax (VII - VIII)		(32,15,21,341)	(25,26,75,472)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(20,45,57,542)	(8,19,80,557)
XI. Profit(Loss) from the period from continuing operations (IX - X)		(11,69,63,799)	(17,06,94,915)
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)	-	(11,69,63,799)	(17,06,94,915)
XVI. Earning per equity share:			
(1) Basic		(1.98)	(4.93)
(2) Diluted			

Summary of Significant Accounting Policies

27

AS PER OUR REPORT OF EVEN DATE
For P.Murali & Co.,

Chartered Accountants
Firm Regn. No: 0072575

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

For Southerm Online Bio Technologies Ltd,

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Whole Time Director & CFO

Sd/-
G.Anupama
Company Secretary

Place : Hyderabad
Date: 27.05.2015.

NOTE NO. 1 : SHARE CAPITAL

S.No.	Particulars	As at 31.03.2015		As at 31.03.2014	
		No. of Shares	Amount In Rs.	No. of shares	Amount In Rs.
A	Share Capital (For each class of capital)				
	(a) Authorized	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	5,89,93,288	58,99,32,880	5,12,77,874	51,27,78,740
	(c) Subscribed & Fully Paid Up	5,89,93,288	58,99,32,880	5,12,77,874	51,27,78,740
	(d) Subscribed & not fully paid up				
	(e) Par value per share Rs. 10				
	Total Equity Share capital		58,99,32,880		51,27,78,740
B	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares	
	Equity Shares of Rs.10Each, Fully paid up :				
	At the Beginning		5,12,77,874		3,46,13,815
	Issued during the year - Cash Issue		-		-
	Issued during the year - ESOP		-		-
	Issued during the year - Pref Issue		77,15,414		1,66,64,059
	Forfeited / Bought Back during the Year		-		-
At the end		5,89,93,288		5,12,77,874	
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) 60,27,652, No. Of Shares (P.Y)52,71,292.		10.22		10.28
	(b) Share Holder - Advait BV No. Of Shares (C.Y) 43,23,267 , No. Of Shares (P.Y) NIL.		7.33		-
	(c) Share Holder -Al sried Company for Trade Limited - No. Of Shares (C.Y) 34,06,769 ,No. Of Shares (P.Y) 34,06,769.		5.77		6.64
(d) Share Holder -The Indiaman Fund Mauritius Limited - No. Of Shares (P.Y) 26,64,325.		-		5.20	

NOTE NO. 2 : RESERVES AND SURPLUS

S.No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (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	(68,68,50,282)	(51,61,55,367)
	Add: Transfer from Profit & Loss Account	(11,69,63,799)	(17,06,94,915)
	Less: Transfer To General Reserve	-	-
	Less: Assets Written off	(5,67,541)	-
	Less: Bonus shares	-	-
	Less: Transfer to/from reserves.	-	-
		(80,43,81,622)	(68,68,50,282)
	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
	A Reserve specifically represented by earmarked investments	-	-
II			
III	Negative balance of reserves and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	Total Reserves and Surplus	(51,45,33,345)	(39,70,02,005)

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

S.No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Share Application Money	7,71,54,170	16,09,40,593
	Add : Received during the year	-	8,28,54,167
	TOTAL SHARE APPLICATION MONEY	7,71,54,170	24,37,94,760
	Less : Share application money equity shares allotted	7,71,54,140	16,66,40,590
	Balance share application money	30	7,71,54,170

NOTE NO. 4 : LONG TERM BORROWINGS

S.No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Long Term borrowings		
	a) Secured Term loans from Banks:		
	Bank of India, Banjara Hills, - Loan for Flats (Secured by Hypothecation of the Flats of the company)	19,74,371	34,47,761
	Punjab National bank – Vehicle Loan. (Hypothecation of Vehicle of the company)		11,12,773
	HDFC Bank of India - Vehicle Loan. (Hypothecation of Vehicle of the company)		7,26,671
	ICICI Bank - Vehicle Loan. (Hypothecation of Vehicle of the company)	11,54,080	9,63,610
	TERM LOANS - (BOI,SBH,UCO & PNB) (Secured by total Plant & Machinery of the company)	145,61,24,532	128,33,50,981
	b) Unsecured Loans from Directors /Others:		
	Unsecured Loan	2,20,91,758	36,11,759
	Total long term borrowings	148,13,44,741	129,32,13,555

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

S.No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Opening Deferred tax Liability	3,59,59,554	11,79,40,111
	Add: Deferred Tax Liability for the year	(20,45,57,542)	(8,19,80,557)
	Deferred Tax Liability/ (Asset) – Net	(16,85,97,988)	3,59,59,554

NOTE NO. 6 : OTHER LONG TERM LIABILITES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
	a) Trade Payables & Others - Other Long term Liabilities	5,80,00,000	5,80,00,000
	Total other long term liabilities	5,80,00,000	5,80,00,000

NOTE NO. 7 : SHORT TERM BORROWINGS.

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured	36,18,42,594	14,27,59,867
	Total short term borrowings	36,18,42,594	14,27,59,867

NOTE NO. 8 : TRADE PAYABLES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	a) Trade Payables	64,12,55,355	43,70,27,487
	Total Trade Payables	64,12,55,355	43,70,27,487

NOTE NO. 9 : SHORT TERM PROVISIONS

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	a) Provisions for employee benefits		
	PF Payable	3,89,287	4,09,733
	Salaries Payable	39,98,220	37,44,300
	b) Others		
	Statutory Liabilities	31,04,849	39,78,461
	Provision for Expenses	61,62,819	40,86,685
	Total short term provisions	1,36,55,175	1,22,19,179

Note No. : 10 & 11, Fixed Assets As On 31st March, 2015 (Consolidated)

Sl. No.	Particulars	Gross Block				Rate of Depreciation	Depreciation/Amortization					Net Block as on 31.03.2015	Net Block as on 31.03.2014	
		As on 01.04.2014	Additions during the year	Sale / Deletions during the year	As on 31.03.2015		Retained Earnings	Dep. For the year 2014-15	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation	Net Block as on 31.03.2015			
1	Land	5,46,49,032	-	-	5,46,49,032	0.00%	-	-	-	-	-	-	5,46,49,032	5,46,49,032
2	Buildings @60 Years	58,47,273	-	-	58,47,273	1.58%	7,75,061	92,100	8,67,161	-	-	-	49,80,112	60,72,212
3	Buildings@30 Years	16,37,42,216	-	1,52,20,570	14,85,21,646	3.17%	1,82,78,864	47,84,570	2,16,74,626	13,88,608	-	-	12,68,47,020	14,54,63,563
4	Plant & Machinery	120,73,03,132	1,69,72,351	3,07,23,794	119,35,51,689	6.33%	20,60,35,005	8,23,46,979	28,39,64,224	44,17,760	-	-	90,95,87,475	100,12,68,127
5	Office Equipment	39,80,228	7,47,464	-	47,27,692	19.00%	13,50,619	4,78,074	20,56,702	-	-	-	21,53,916	26,29,609
6	Computers	8,51,47,324	26,38,240	-	8,77,85,564	31.67%	8,36,74,470	8,34,085	8,45,08,535	-	-	-	32,77,029	14,72,864
7	Furniture's	61,33,803	13,85,677	-	75,19,480	9.50%	24,95,973	8,10,313	33,06,286	-	-	-	41,23,726	36,37,830
8	Vehicles	2,14,34,668	20,91,160	84,81,193	1,50,44,636	11.88%	60,02,962	24,40,824	55,67,680	28,75,106	-	-	94,76,955	1,54,31,706
		154,82,37,676	2,38,34,692	5,44,25,547	151,76,47,621		31,86,12,754	5,67,542	40,19,84,214	86,82,474	40,19,84,214	111,50,95,265	122,96,24,923	
9	Intangible Assets	-	-	-	-		-	-	-	-	-	-	-	-
10	Technical Know-how	78,96,908	-	-	78,96,908	20.00%	78,96,908	-	78,96,908	-	-	-	-	-
11	Pre Issue expenses	3,90,72,114	-	-	3,90,72,114	0.00%	1,15,26,000	2,75,46,114	3,90,72,114	-	-	-	2,75,46,114	2,75,46,114
		4,69,69,022	-	-	4,69,69,022		1,94,22,908	2,75,46,114	4,69,69,022	-	-	-	2,75,46,114	
12	CWIP	49,82,182	2,53,41,272	-	3,03,23,454	0.00%	-	-	-	-	-	-	3,03,23,454	49,82,182
	TOTAL	160,01,88,880	49,176,164	5,44,25,547	159,49,39,497		33,80,35,662	5,67,542	44,89,53,236	86,82,474	44,89,53,236	114,54,13,719	126,21,53,219	

NOTE NO. 12 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Long - term loans and advances: a) Security Deposit	-	1,18,84,852
	Total Long term loans & advances(net)	-	1,18,84,852

NOTE NO.13 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Long term Trade receivable i)Unsecured considered good ii)Insurance claim on Fixed Assets	5,91,16,020 4,01,37,986	4,84,94,866 -
	Total non - current assets(net)	9,92,54,006	4,84,94,866

NOTE NO. 14 : INVENTORIES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	a) Raw materials Palm Stearin Mutton Tallow Rice Bran Oil Used Cooking Oil Seeds. Fatty Acid Oil Chemicals & Consumables	98,70,042 39,57,395 7,63,74,103 2,50,93,810 1,57,363 46,34,611 2,03,60,046	22,814,425 121,35,914 23,83,540 3,04,44,526 1,57,363 3,26,09,934 1,06,25,841
	Sub Total	14,04,47,370	11,11,51,543
	b) Work - in - progress i) Bio Diesel	-	6,45,645
	Sub Total	-	6,45,645
	c) Finished goods Bio Diesel Glycerin Rice Bran Oil Sludge and Fatty Acid	10,08,73,679 5,29,92,850 57,14,856 20,96,469	5,62,02,337 6,22,60,110 7,90,89,725 53,34,146
	Sub Total	16,16,77,854	20,28,86,318
	d) Stores and spares	1,28,34,861	3,38,78,734
	Total Inventories	31,49,60,085	34,85,62,240

NOTE NO. 15 : TRADE RECEIVABLES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
1	Unsecured, Considered Good	58,23,06,734	35,91,63,719
	Total Trade Receivables(net)	58,23,06,734	35,91,63,719

NOTE NO. 16 : CASH AND BANK BALANCES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Cash and cash equivalents :		
	a) Balances with banks :	1,37,10,616	6,29,35,528
	b) Cash on hand	25,08,903	10,44,500
	Total Cash and Cash Equivalents	1,62,19,519	6,39,80,028

NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Short - Term Loans and Advances:		
	a) Security Deposit		
	LC Margin & Other Deposit	4,88,52,722	3,85,44,430
	b) Other loans And advances		
	Secured - Raw Material etc..	23,23,87,300	1,46,32,384
	Secured - Other Advances	2,35,01,387	2,46,95,840
	Total short term loans & advances	30,47,41,409	7,78,72,654

NOTE NO. 18 : REVENUE FROM OPERATIONS

S. No.	Particulars	For the year ended	
		31.03.2015 (Rupees)	31.03.2014 (Rupees)
(i)	Revenue from operations		
	(a) Sale of Products (Domestic)	160,11,85,045	95,07,76,204
	(b) Export Sale of Products	27,82,14,018	33,95,55,941
	(c) Export Sale (Exports Out Side India Stock in Trade)	48,10,71,480	67,00,17,508
	(d) Sale of Services	5,19,97,143	4,27,95,073
	(e) Other Operating Revenue	5,96,78,125	1,43,00,000
	Less: Excise Duties & Customs duties	26,43,651	34,32,618
	Total Revenue from Operations	246,95,02,160	201,40,12,108

NOTE NO. 19 : OTHER INCOME

S. No.	Particulars	For the year ended	
		31.03.2015 (Rupees)	31.03.2014 (Rupees)
I	(a) Other non-operating income (net of expenses directly attributed to such income)	27,66,102	18,95,195
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	13,96,843	(7,93,113)
	Total Other Income	41,62,945	11,02,082

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

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	Material		
	Palm Stearin	7,29,64,620	10,53,06,535
	Mutton Tallow	21,83,67,306	24,12,13,515
	Rice Bran Oil.	112,51,09,265	55,36,38,465
	Used Cooking Oil.	66,19,70,427	78,22,24,484
	Palm Sludge Oil	-	74,78,574
	RB Acid oil.	-	17,01,343
	Fatty Acid Oil.	2,33,74,123	2,57,36,286
	Chemicals & Consumables	58,018,361	5,97,45,964
	Sub Total	215,98,04,102	177,70,45,166
	IROAF Sub contract Expenses	3,91,17,298	1,24,20,000
	Total Cost Of Material Consumed	219,89,21,400	178,94,65,166

NOTE NO. 21: CHANGE IN INVENTORIES & WIP.

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	Finished Goods		
	Finished goods at the beginning of the year	20,28,86,318	14,70,66,986
	Less : Finished goods at the end of the year	16,16,77,854	20,28,86,318
	Sub Total (A)	4,12,08,464	(5,58,19,332)
	Work in Progress		
	Work in progress at the beginning of the year	6,45,645	26,62,776
	Less: Work in progress at the ending of the year	-	6,45,645
	Less : Loss due to Cyclone HudHud	6,29,53,695	-
	Sub Total (B)	(6,23,08,050)	20,17,131
	(Increase) / Decrease in Inventories (A+B)	(2,10,99,586)	(5,38,02,201)

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

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Salaries & Wages	1,84,49,452	1,88,91,643
	(b) Contribution to Provident & Other Funds	30,00,238	31,01,556
	(c) Staff Welfare Expenses	48,30,721	51,95,659
	Total Employee Benefit Expenses	2,62,80,411	2,71,88,858

NOTE NO. 23 : OTHER OPERATING EXPENSES

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Consumption of Chemicals , Stores & Spares	1,75,33,573	45,93,281
	(b) Power & Fuel	6,50,37,864	7,00,38,338
	(c) Rent	61,540	83,990
	(d) Repairs to Machinery	1,18,14,990	59,37,196
	(e) Insurance	11,61,607	20,52,566
	(f) Rates & Taxes (Excluding Income Tax)	73,36,825	13,68,933
	Bandwidth	3,30,95,000	2,47,38,374
	Other Mfg Expenses	93,81,458	1,07,21,983
	Factory Wages	2,82,86,550	2,20,45,161
	Shipping Charges	2,18,31,941	3,15,36,294
	(g) Payment to Auditors:		
	(i) As Auditor	75,000	65,000
	(ii) For Taxation Matters	25,000	20,000
	(iii) For Company Law Matters	25,000	20,000
	(iv) For Management Services	25,000	20,000
	Total Other Expenses	19,56,91,348	17,32,41,116

NOTE NO. 24 : ADMINSTRATIVE EXPENSES

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Telephone, Postage and Others	20,53,814	27,06,723
	(b) Business Promotion Expenses	-	10,000
	(c) Travelling & Conveyance	1,66,13,094	1,05,90,607
	(d) Office Maintenance	30,58,313	22,77,252
	(e) Printing & Stationery Expenses	4,28,638	4,28,452
	(f) Security Charges	9,06,378	8,32,252
	(g) Rent ,Rates & Taxes (excluding Income Tax)	28,77,290	32,09,796
	(h) Managerial Remuneration	43,20,000	55,20,000
	(i) Consultancy Charges	37,20,775	46,88,197
	(j) Gen Expenses	3,86,498	4,09,761
	(k) Director's Sitting Fee / Board Meeting Expenses	18,16,833	7,95,933
	Total Administrative Expenses	3,61,81,633	3,14,68,973

NOTE NO. 25 : FINANCE COST

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Interest Expenses :		-
	- Interest on Cash Credit	3,73,41,816	2,76,69,323
	- Interest on Car Loans / Term Loans	13,81,50,955	11,23,84,832
	- Loan processing Charges & Bank Charges	2,16,51,119	3,09,90,661
	- CDR - Facilitation Charges	-	1,21,11,239
	Total Finance Cost	19,71,43,890	18,31,56,055

NOTE NO. 26 : OTHER EXPENSES

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	Loss on Sale Of Vehicles	21,87,587	3,30,156
	Advertisements	4,000	51,202
	Collection Expenses	85,000	2,24,621
	Commission & Discounts	28,53,598	2,28,16,727
	Freight Charges - Outward & Insurance	3,37,59,703	1,26,20,715
	Business Promotion Expenses	35,77,413	49,54,484
	Total Other expenses	4,24,87,301	4,09,97,905

Summary of Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2015.

1. Basis of preparation of Financial Statements

The Financial statements of Subsidiaries used in the consolidated are drawn up to the same reporting date as that of the parent company i.e year ended 31st March 2015

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

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

2. Principles of Consolidation

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

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

The Company has only one single subsidiary in the name of Southern Biofe Biofuels Private Limited.

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.

3. Cash and Cash Equivalents

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

4. Tangible and Intangible Assets

i) Tangible fixed assets

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

ii) Intangible Assets

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

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

iii) Capital Work-in-Progress

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

5. Depreciation and Amortization

- i) Effective 01st April 2014, Company depreciates the Fixed assets over the useful life in the manner prescribed in Schedule II of the Companies Act 2013 as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act 1956.
- ii) Depreciation for additions to Fixed assets of the Company is provided as per Schedule II of the Companies Act, 2013 on pro rata basis.

6. Revenue recognition

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

7. Foreign Exchange Transactions

Transactions denominated in foreign currencies are recorded at the rates prevailing on the date of transaction.

- a) Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- b) Non Monetary foreign currency items are carried at cost.

c) In respect of foreign operations, which are non integral operations, all assets and liabilities, other monetary and non-monetary, are translated at closing rate, which all income and expenses are translated at average rate for the year. The resulting exchange differences are included in the profit and loss account.

8. Investments

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

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

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

9. Related party Disclosures

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

10. Earnings per Share

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

11. Taxes on Income

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

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

12. Provisions, Contingent Liabilities and Contingent Assets

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

NOTES TO FINANCIAL STATEMENTS

27. Share Capital:

The Equity Share Capital of the company as on 31st March, 2015 is 5,89,93,288 Equity Shares of Rs. 10/- each fully paid up.

During the year 2014-15 the Company has allotted 77,15,414 Equity Shares of Rs 10/- each and the same is included in the share capital as on 31st March 2015.

28. Secured Loans

a) 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 ISP Division.

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.

- c) During the financial year Bank of India has sanctioned an amount of Rs 300 Lakhs as Adhoc limit for carrying out restoration work at Visakhapatnam Bio diesel Plant against sanction of restructure proposal (or) receipt of insurance claim due to Hudhud Cyclone.

29. 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 construction of Bio diesel plant for IROAF at Tondiarpet, Chennai.

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

The Bio Diesel division manufactures the Bio Diesel.

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

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

- a) The income and expenditure relating to 30 TPD capacity bio diesel unit at Tondiarpet, Chennai.
- b) The income and expenditure relating to Cross country trading of Used Cooking Oil.

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 31.03.2015	ISP		Bio Diesel		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	519.97	427.95	9134.83	9369.00	15040.22	10343.18	24695.02	20140.12
Identifiable Operating Expenses	390.03	282.29	6846.23	10579.91	14351.81	6179.26	21588.06	17041.46
Allocated Expenses	121.16	122.19	4095.84	3342.51	175.37	340.17	4392.37	3804.87
Segmental Operating Income	8.79	23.47	(1807.23)	(4553.42)	513.04	3823.74	(1285.40)	(706.21)
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	8.79	23.47	(1807.23)	(4553.42)	513.04	3823.74	(1285.40)	(706.21)
Interest Expenses	4.60	14.58	1965.61	1810.70	1.23	6.27	1971.44	1831.56
Other Income	-	0.26	27.66	(30.31)	13.97	41.07	41.63	11.02
Net profit before taxes and prior period items	4.18	9.14	(3745.18)	(6394.44)	525.78	3858.54	(3215.21)	(2526.75)
Provision for taxation	-	(1.51)	(2045.58)	(818.29)	-	-	(2045.58)	(819.81)
Prior period Items	-	-	-	-	-	-	-	-
Net profit after taxes and before exceptional items	4.18	10.65	(1699.61)	(5576.15)	525.78	3858.54	(1169.64)	(1706.95)
Exceptional items	-	-	-	-	-	-	-	-
Profit after tax and exceptional items	4.18	10.65	(1699.61)	(5576.15)	525.78	3858.54	(1169.64)	(1706.95)

Geographical Segments
(Rs. in lakhs)

Revenues	As at 31.03.2015	As at 31.03.2014
India	17,102.17	10,044.39
Outside India	7,592.85	10,095.73
Total	24,695.02	20,140.12

30. Deferred Tax Asset/ Liability:

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

During the current year, the company recognized the deferred tax asset for an amount of Rs 2045.57 lakhs on business loss of the current financial year 2014-15. 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 Bio Diesel situated at Vizag.

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Deferred Tax Liability		
a) Opening Balance	(3,59,59,554)	(11,79,40,111)
Less: Deferred tax asset	20,45,57,542	8,19,80,557
Total DTA/DTL	16,85,97,988	(3,59,59,554)

31. Foreign Exchange Earnings

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Export of Goods	75,92,85,498	1,00,95,73,449
Total	75,92,85,498	1,00,95,73,449

32. Foreign Exchange Outflow

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
For Purchases	83,01,23,691	80,18,55,095
Total	83,01,23,691	80,18,55,095

33. Directors' Remuneration

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

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Salary & Allowances (Whole Time Directors)	55,20,000	55,20,000

34. Remuneration to Auditors

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Audit Fees	1,50,000	1,25,000
Total	1,50,000	1,25,000

35. Details of Quantitative Information

The Company is engaged in the Internet Service Provider (ISP) services and Biodiesel Unit construction for Indian Railways (IROAF). 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. In respect of Bio Diesel Division and UCO Merchant trading the quantitative information is as follows:

Sl. No.	Quantitative Information	2014-15		2013-14	
		Qty (Kgs/Lts)	Value (Rs)	Qty (Kgs/Lts)	Value (Rs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	286 TPD		286 TPD	
C	Finished Goods				
	Biodiesel (in Kgs)				
	Opening Stock	8,75,688	5,34,07,072	13,74,113	6,23,60,080
	Production During the Year	1,16,90,850	76,31,58,595	94,20,680	43,14,60,558
	Sales During the year	1,04,73,138	62,44,00,023	97,76,551	43,32,06,786
	Sludge & Fatty	1,23,292	29,59,008	-	-
	Hudhud Loss	4,39,556	3,16,48,032	-	-
	Closing Stock of Bio Diesel in KGs	15,30,552	10,08,73,679	10,18,242	5,34,07,072
	Glycerine				
	Opening Stock	11,85,564	6,52,06,020	11,35,164	5,37,27,547
	Production During the Year	13,37,359	4,90,26,990	7,60,284	3,24,09,471
	Sales During the year	5,58,690	90,94,289	4,27,580	1,38,35,928
	Consumption for Rice Bran Oil	2,92,402	51,43,591	2,82,304	1,26,37,115
	Hudhud Loss	6,11,974	3,05,70,049	-	-
	Closing Stock of Glycerine	10,59,857	5,29,92,850	11,85,564	6,52,06,020
	Rice Bran Oil Processed				
	Opening Stock	14,46,995	7,95,84,725	51,077	23,56,575
	Processed During the Year	16,29,797	9,10,76,285	25,95,777	12,41,20,118
	Sales During the year	29,05,932	15,99,79,689	11,99,859	5,84,57,595
	Hudhud Loss	18,611	7,28,873	-	-
	Sludge & Fatty	50,198	12,04,752	-	-
	Closing Stock of Rice Bran Oil	1,02,051	57,14,856	14,46,995	7,95,84,725
	Biodiesel Residue				
	Opening Stock	-	-	62,234	26,10,716
	Production During the Year	-	-	-	-
	Sales During the year	-	-	-	-
	Consumption for Bio-Diesel	-	-	62,234	26,10,716
	Closing Stock of Bio-Diesel Residue	-	-	-	-
	Sludge & Fatty Acid Oil				
	Opening Stock	2,45,111	53,34,146	37,773	8,67,144
	Production During the Year	7,24,319	1,39,99,353	6,56,341	1,30,44,183
	Sales During the year	8,76,296	1,51,99,149	4,51,560	82,23,119

	Consumption for Bio-diesel	-	-	-	-
	Closing Stock of Sludge & Fatty	93,134	20,96,469	2,45,111	53,34,146
	Processed UCO				
	Opening Stock	-	-	5,56,154	2,78,07,700
	Production during the year	-	-	54,49,466	29,09,56,233
	Sales during the year	-	-	60,05,620	33,95,55,941
	Closing stock of processed UCO	-	-	-	-
D	RAW MATERIAL CONSUMED				
	Seeds				
	Opening Stock	14,791	1,57,363	14,791	1,57,363
	Purchased During the Year	-	-	-	-
	Sales During the year	-	-	-	-
	Closing Stock of Seeds	14,791	1,57,363	14,791	1,57,363
	Tallow				
	Opening Stock	3,23,388	1,21,35,914	2,00,920	87,91,064
	Purchased During the Year	55,11,195	21,01,88,787	66,16,882	24,45,58,365
	Consumed During the year	57,30,727	21,83,67,306	64,94,414	24,12,13,515
	Closing Stock of Tallow	1,03,856	39,57,395	3,23,388	1,21,35,914
	Palm Stearine				
	Opening Stock	4,59,326	2,28,14,425	27,399	9,67,228
	Purchased During the Year	14,28,625	6,00,20,237	28,52,388	12,71,53,731
	Consumed During the year	16,52,950	7,29,64,620	24,20,461	10,53,06,534
	Closing Stock of Palm Stearine	2,35,001	98,70,042	4,59,326	2,28,14,425
	Fatty Acid Oil				
	Opening Stock	6,40,980	3,26,09,934	30,524	9,87,760
	Purchased During the Year	32,54,186	16,67,76,594	11,45,365	5,73,58,460
	Consumed During the year	19,19,845	10,08,69,156	5,34,909	2,57,36,286
	Hudhud Loss	11,47,974	5,75,87,830	-	-
	Closing Stock of Fatty Acid Oil	94,684	46,34,611	6,40,980	3,26,09,934
	Rice Bran Oil				
	Opening Stock	54,958	23,63,540	3,42,285	1,41,54,003
	Purchased during the year	2,22,90,425	119,91,30,564	1,14,90,859	54,35,49,345
	Sales during the year	1,98,46,034	106,41,42,121	91,53,762	42,59,18,670
	Consumed during the year	11,68,034	5,85,10,590	26,24,421	12,94,21,138
	Closing Stock of Rice Bran Oil	13,31,315	7,63,74,103	54,958	23,63,540
	Used Cooking Oil				
	Opening Stock	6,78,800	3,04,44,526	3,32,676	1,46,49,058
	Purchased during the year	1,66,40,370	70,49,61,538	1,78,40,192	79,80,19,952
	Sales during the year	1,10,73,970	48,10,71,481	1,35,53,904	67,00,17,506
	Consumed during the year	46,86,981	23,33,98,185	39,40,164	17,67,18,384
	Hudhud Loss	9,78,276	4,83,41,840	-	-
	Closing Stock of Used Cooking Oil	5,79,943	2,50,93,810	6,78,800	3,04,44,526

Palm Sludge Oil				
Opening Stock	-	-	-	-
Purchased During the Year	-	-	1,69,455	74,78,574
Consumed During the year	-	-	1,69,455	74,78,574
Closing Stock of Used Cooking Oil				

36. DETAILS OF RELATED PARTY TRANSACTION

The company has entered into the following related party transactions as on 31st March, 2015 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
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter, Whole Time Director & CFO
Mr. B. Sreedhara Reddy	Promoter & Director Administration
Mr. B.H.R.Balaji	Promoter & Executive Director

b) The following are the related party transactions:

(Rs in Lakhs)

Name of the Party	Relationship	Nature of Transaction	Amount	Amount
			31.03.15	31.03.14
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	19,20,000	19,20,000
		Vehicle lease	8,50,000	-
Mr. K. Radha Krishna	Promoter, Whole Time Director & CFO	Remuneration	12,00,000	12,00,000
		Vehicle lease	8,50,000	-
Mr. B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	12,00,000	12,00,000
		Vehicle lease	8,30,000	-
Mr. B.H.R.Balaji	Promoter & Executive Director	Remuneration	12,00,000	12,00,000

37. PRIOR PERIOD ITEMS: NIL

38. Earning per share

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

(Rupees)

Particulars	2014-15	2013-14
Profit available for the equity shareholders (Rs)	(11,69,63,799)	(17,06,94,915)
No. of Shares outstanding for EPS - Basic	5,89,93,288	5,12,77,874
Total No. of Shares outstanding EPS-Diluted	5,89,93,288	5,12,77,874
Basic	(1.98)	(4.93)
Diluted	(1.98)	(4.93)

39. Confirmations were obtained from debtors/ creditors as to the balances receivable / payable to them as at year ended 31st March, 2015.

40. Bank Guarantees

The Company has outstanding guarantees and counter guarantees of Rs 1,78,98,799/- as on 31.03.2015 (previous year ended 31.03.2014 is Rs 1,89,98,799/-) 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 Organisation for Alternate Fuels (IROAF).

41. Letter of Credit

The company has outstanding Letter of credit to the extent of Rs 65,77,22,406 as on 31.03.2015 (previous year Rs 46,41,21,151/- as on 31.03.2014)

42. Right of 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 2014-15 is Rs 12.16 cr.

43. The Visakhapatnam unit of the Company was effected by the natural calamity i.e., Cyclone Hudhud on 12th October 2014. Due to the cyclone, the unit has incurred the loss of Rs 1914.29 lakhs. The damages are properly covered with the insurance and the petition for the claim of such losses has been already filed to the insurance company. The claim of the Company is under process with the National Insurance Company limited as on balance date.

44. Previous year figures have been regrouped wherever necessary.

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

As per our report of even date

for P Murali & Co.,
Chartered Accountants
FRN No. 007257S

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

Place :Hyderabad
Date : 27.05.2015

For and on behalf of the Board of Directors

for Southern Online Bio Technologies Ltd

Sd/-
N Satish Kumar
Managing Director

Sd/-
K Radha Krishna
Whole Time Director & CFO

Sd/-
G Anupama
Company Secretary

STANDALONE FINANCIAL SECTION



BLANK

INDEPENDENT AUDITOR'S REPORT

To the Members of Southern Online Bio Technologies Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of **Southern Online Bio Technologies Ltd.** ("the Company"), which comprise Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section (134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance preparation and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the group as at 31st March 2015, its loss and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we further report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors none of the directors are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;

i. The Company has disclosed the impact of pending litigations as at 31st March, 2015 on its financial position in its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
A Krishna Rao
Partner
M.No. 020085
Place : Hyderabad
Date : 27.05.2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 of Our Report of even date to the members of Southern Online Bio Technologies Ltd on the accounts of the company for the year ended 31st March, 2015 Under "Report on other Legal & Regulatory Requirements".

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that;

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The inventory including stocks with certain third parties, has been physically verified by the management during the year. In respect of inventory lying with third parties, these have subsequently been confirmed by them. 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. The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- IV. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and for sale of services. Further on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has been noticed or reported.
- V. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the companies Act, 2013.
- VI. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub section (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- VII. a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;
 - b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31st March 2015 for a period of more than 6 months from the date they became payable.
 - c) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and excise Duty which have not been deposited on account of any disputes.

d) There are no amounts that are due to be transferred to the Investors Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 [1 of 1956] and rules made there under.

VIII. The Company has been registered for a period of more than 5 years. The accumulated losses of the Company as on March 31, 2015 are more than 50% its net worth and the company has incurred cash losses in this financial year and in the immediately preceding financial year.

IX. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions/banks. The Company has not issued any debentures.

X. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from bank or financial institutions.

XI. In our opinion and according to the information and explanations given to us, Term Loans obtained by the Company were applied for the purpose for which such loans were obtained.

XII. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For P Murali & Co.,
Chartered Accountants
Firm Registration No: 07257S

Sd/-
A Krishna Rao
Partner
Membership no. 020085

Place : Hyderabad
Date : 27.05.2015

STANDALONE BALANCE SHEET AS AT 31st MARCH 2015

Particulars	Note No	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	58,99,32,880	51,27,78,740
(b) Reserves and Surplus	2	(51,45,33,345)	(39,70,02,005)
(c) Minority Interest		-	-
(2) Share application money pending for allotment	3	30	7,71,54,170
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	147,99,07,966	129,17,76,780
(b) Deferred tax liabilities (Net)	5	(16,85,97,988)	3,59,59,554
(c) Other Long term liabilities	6	5,80,00,000	5,80,00,000
(4) Current Liabilities			
(a) Short-term borrowings	7	36,18,42,594	14,27,59,867
(b) Trade payables	8	64,12,55,355	43,70,27,487
(c) Short-term provisions	9	1,35,41,768	1,21,05,772
Total		246,13,49,260	217,05,60,366
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10 & 11	111,50,95,265	122,96,24,923
(ii) In Tangible assets	10 & 11	-	2,75,46,114
(iii) CWIP	10 & 11	2,53,41,272	-
(b) Non-current investments	12	34,30,970	34,30,970
(c) Long term loans and advances	13	-	1,18,84,852
(d) Other non-current assets	14	9,92,54,006	4,84,94,866
(2) Current assets			
(a) Inventories	15	31,49,60,085	34,85,62,240
(b) Trade receivables	16	58,23,06,734	35,91,63,719
(c) Cash and cash equivalents	17	1,62,19,519	6,39,80,028
(d) Short-term loans and advances	18	30,47,41,409	7,78,72,654
Total		246,13,49,260	217,05,60,366

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/-

A. Krishna Rao

Partner

M.No.020085

Place : Hyderabad

Date: 27.05.2015.

For Southern Online Bio Technologies Ltd.

Sd/-

N. Satish Kumar

Managing Director

Sd/-

K. Radha Krishna

Whole Time Director & CFO

Sd/-

G.Anupama

Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Note No	For the year ended	For the year ended
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I. Revenue from operations	19	246,95,02,160	201,40,12,108
II. Other Income	20	41,62,945	11,02,082
III. Total Revenue (I +II)		247,36,65,105	201,51,14,190
IV. Expenses:			
Cost of materials consumed	21	80,28,57,825	87,00,37,993
Purchase of Stock-In-Trade	21	139,60,63,575	91,94,27,173
Changes in inventories of finished goods, work-in-progress	22	(2,10,99,586)	(5,38,02,201)
Employee benefit expense	23	2,62,80,411	2,71,88,858
Other operating expenses	24	19,56,91,348	17,32,41,116
Administrative Expenses	25	3,61,81,633	3,14,68,973
Finance costs	26	19,71,43,890	18,31,56,055
Depreciation and amortization expense	10 & 11	11,96,00,048	7,60,73,790
Other expenses	27	4,24,67,301	4,09,97,905
Total Expenses		279,51,86,446	226,77,89,662
V. Profit before exceptional and extraordinary items and tax (III-IV)		(32,15,21,341)	(25,26,75,472)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(32,15,21,341)	(25,26,75,472)
VIII. Extraordinary Items			
(1) Losses due to Cyclone HudHud		19,14,29,244	-
(2) Insurance claimed for Cyclone loss		(19,14,29,244)	-
IX. Profit before tax (VII - VIII)		(32,15,21,341)	(25,26,75,472)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(20,45,57,542)	(8,19,80,557)
XI. Profit(Loss) from the period from continuing operations (IX - X)		(11,69,63,799)	(17,06,94,915)
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)	-	(11,69,63,799)	(17,06,94,915)
XVI. Earning per equity share:			
(1) Basic		(1.98)	(4.93)
(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 Southern Online Bio Technologies Ltd.

For P.Murali & Co.,

Chartered Accountants

Firm Regn. No: 007257S

Sd/-

A. Krishna Rao

Partner

M.No.020085

Place : Hyderabad

Date: 27.05.2015.

Sd/-

N. Satish Kumar

Managing Director

Sd/-

K. Radha Krishna

Whole Time Director & CFO

Sd/-

G.Anupama

Company Secretary

NOTE NO. 1 : SHARE CAPITAL

S.no.	Particulars	As at 31.03.2015		As at 31.03.2014	
		No. of Shares	(Rupees)	No. of shares	(Rupees)
A	Share Capital (For each class of capital)				
	(a) Authorized	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	5,89,93,288	58,99,32,880	5,12,77,874	51,27,78,740
	(c) Subscribed & Fully Paid Up	5,89,93,288	58,99,32,880	5,12,77,874	51,27,78,740
	(d) Subscribed & not fully paid up				
(e) Par value per share Rs. 10					
	Total Equity Share capital		58,99,32,880		51,27,78,740
B	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares	
	Equity Shares of Rs.10Each, Fully paid up :				
	At the Beginning		5,12,77,874		3,46,13,815
	Issued during the year - Cash Issue		-		-
	Issued during the year - ESOP		-		-
	Issued during the year - Pref Issue		77,15,414		1,66,64,059
	Forfeited / Bought Back during the year		-		-
At the end		5,89,93,288		5,12,77,874	
d	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding			
	Equity Shares of Rs. 10 each Held By				
	(a) Share Holder - N. Satish Kumar No. of Shares (C.Y) 60,27,652, No. of Shares (P.Y)52,71,292.		10.22		10.28
	(b) Share Holder - Advait BV No. of Shares (C.Y) 43,23,267 , No. of Shares (P.Y) NIL.		7.33		-
	(c) Share Holder -Al Sried Company for Trade Limited - No. of Shares (C.Y) 34,06,769, No. of Shares (P.Y) 34,06,769.		5.77		6.64
(d) Share Holder -The Indiaman Fund Mauritius Limited - No. Of Shares (P.Y) 26,64,325.		-		5.20	

NOTE NO. 2 : RESERVES AND SURPLUS

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (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	(68,68,50,282)	(51,61,55,367)
	Add: Transfer from Profit & Loss Account	(11,69,63,799)	(17,06,94,915)
	Less: Transfer To General Reserve	-	-
	Less: Assets Written off	(5,67,541)	-
	Less: Bonus shares	-	-
	Less: Transfer to/from reserves.	-	-
		(80,43,81,622)	(68,68,50,282)
	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
	A Reserve specifically represented by earmarked investments	-	-
II		-	-
III	Negative balance of reserves and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	Total Reserves and Surplus	(51,45,33,345)	(39,70,02,005)

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Share Application Money	7,71,54,170	16,09,40,593
	Add : Received during the year	-	8,28,54,167
	TOTAL SHARE APPLICATION MONEY	7,71,54,170	24,37,94,760
	Less : Share application money equity shares allotted	7,71,54,140	16,66,40,590
	Balance share application money	30	7,71,54,170

NOTE NO. 4 : LONG TERM BORROWINGS

S. No	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Long Term borrowings		
	a) Secured Term loans from Banks:		
	Bank of India, Banjara Hills, - Loan for Flats (Secured by Hypothecation of the Flats of the company)	19,74,371	34,47,761
	Punjab National bank -- Vehicle Loan. (Hypothecation of Vehicle of the company)		11,12,773
	HDFC Bank of India - Vehicle Loan. (Hypothecation of Vehicle of the company)		7,26,671
	ICICI Bank - Vehicle Loan. (Hypothecation of Vehicle of the company)	11,54,080	9,63,610
	TERM LOANS - (BOI,SBH,UCO & PNB) (Secured by total Plant & Machinery of the company)	145,61,24,532	128,33,50,981
	b) Unsecured Loans from Directors /Others:		
	Unsecured Loan	2,06,54,983	21,74,984
	Total long term borrowings	147,99,07,966	129,17,76,730

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Opening Deferred tax Liability	3,59,59,554	11,79,40,111
	Add: Deferred Tax Liability for the year	(20,45,57,542)	(8,19,80,557)
	Deferred Tax Liability/ (Asset) – Net	(16,85,97,988)	3,59,59,554

NOTE NO. 6 : OTHER LONG TERM LIABILITES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	a) Trade Payables & Others		
	- Other Long term Liabilities	5,80,00,000	5,80,00,000
	Total other long term liabilities	5,80,00,000	5,80,00,000

NOTE NO. 7 : SHORT TERM BORROWINGS.

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured	36,18,42,594	14,27,59,867
	Total short term borrowings	36,18,42,594	14,27,59,867

NOTE NO. 8 : TRADE PAYABLES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	a) Trade Payables	64,12,55,355	43,70,27,487
	Total Trade Payables	64,12,55,355	43,70,27,487

NOTE NO. 9 : SHORT TERM PROVISIONS

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	a) Provisions for employee benefits		
	PF Payable	3,89,287	4,09,733
	Salaries Payable	39,98,220	37,44,300
	b) Others		
	Statutory Liabilities	31,04,849	39,78,461
	Provision for Expenses	60,49,412	39,73,278
	Total short term provisions	1,35,41,768	1,21,05,772

NOTE NO: 10 & 11. FIXED ASSETS AS ON 31st March, 2015 (Standalone)

Sl No	Particulars	Gross Block				Rate of Depreciation	Depreciation/Amortization				Net Block as on 31.03.2015	Net Block as on 31.03.2014	
		As on 01.04.2014	Additions during the year	Sale/Deletions during the year	As on 31.03.2015		Retained Earnings	Dep. For the year 2014-15	Impairment Reversal / Loss of Impairment 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	Buildings @60 Years	58,47,273	-	-	58,47,273	1.58%	-	-	92,100	-	-	49,80,112	49,80,112
3	Buildings@30 Years	16,37,42,216	-	1,52,20,570	14,85,21,646	3.17%	-	-	47,84,570	13,88,608	2,16,74,626	14,54,63,553	14,54,63,553
4	Plant & Machinery	120,73,09,132	1,69,72,351	3,07,23,784	119,35,51,699	6.33%	-	-	8,23,46,979	44,17,760	28,39,64,224	90,95,87,475	100,12,68,127
5	Office Equipment	39,80,228	7,47,464	-	47,27,692	19.00%	-	-	7,45,083	-	20,95,702	21,53,916	26,29,609
6	Computers	8,51,47,324	26,38,240	-	8,77,85,564	31.67%	-	-	8,34,065	-	8,45,08,535	32,77,029	14,72,854
7	Furniture's	61,33,803	13,85,677	-	75,19,480	9.50%	-	-	8,10,313	-	33,06,286	41,23,726	36,37,830
8	Vehicles	2,14,34,668	20,91,160	84,81,193	1,50,44,635	11.88%	-	-	24,40,824	28,76,106	55,67,680	94,76,955	1,54,31,706
		154,82,37,676	2,38,34,892	5,44,25,547	151,76,47,021		-	-	9,20,53,934	86,82,474	40,19,84,214	111,50,95,265	122,96,24,923
9	Intangible Assets Technical Know Pre_Issue expenses	-	-	-	-	-	-	-	-	-	-	-	-
		78,96,908	-	-	78,96,908	20.00%	-	-	-	-	78,96,908	-	-
		3,90,72,114	-	-	3,90,72,114	0.00%	-	-	2,75,46,114	-	3,90,72,114	-	2,75,46,114
		4,69,69,022	-	-	4,69,69,022	-	-	-	2,75,46,114	-	4,69,69,022	-	2,75,46,114
10	CWTP	-	2,53,41,272	-	2,53,41,272	0.00%	-	-	-	-	-	2,53,41,272	-
	TOTAL	159,52,06,698	4,91,76,164	5,44,25,547	158,99,57,315	-	-	-	11,96,00,048	86,82,474	44,89,53,236	114,04,36,537	125,71,71,037

NOTE NO. 12 : NON- CURRENT INVESTMENTS

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Non- Current Investments. 1) Investment in Subsidiaries a) Equity Shares (Southern Biofe Bio Fuels Pvt Ltd - 99.97%)	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 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Long - term loans and advances: a) Security Deposit	-	1,18,84,852
	Total Long term loans & advances(net)	-	1,18,84,852

NOTE NO.14 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Long term Trade receivable i)Unsecured considered good ii)Insurance claim on Fixed Assets	5,91,16,020 4,01,37,986	4,84,94,866 -
	Total non - current assets(net)	9,92,54,006	4,84,94,866

NOTE NO. 15 : INVENTORIES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	a) Raw materials		
	Palm Stearin	98,70,042	22,814,425
	Mutton Tallow	39,57,395	121,35,914
	Rice Bran Oil	7,63,74,103	23,63,540
	Used Cooking Oil	2,50,93,810	3,04,44,526
	Seeds	1,57,363	1,57,363
	Fatty Acid Oil	46,34,611	3,26,09,934
	Chemicals & Consumables	2,03,60,046	1,06,25,841
	Sub Total	14,04,47,370	11,11,51,543
	b) Work - in – progress		
	i) Bio Diesel	-	6,45,645
	Sub Total	-	6,45,645
	c) Finished goods		
	Bio Diesel	10,08,73,679	5,62,02,337
	Glycerin	5,29,92,850	6,22,60,110
	Rice Bran Oil	57,14,856	7,90,89,725
	Sludge and Fatty Acid	20,96,469	53,34,146
	Sub Total	16,16,77,854	20,28,86,318
	d) Stores and spares	1,28,34,861	3,38,78,734
	Total Inventories	31,49,60,085	34,85,62,240

NOTE NO. 16 : TRADE RECEIVABLES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Unsecured, Considered Good	58,23,06,734	35,91,63,719
	Total Trade Receivables(net)	58,23,06,734	35,91,63,719

NOTE NO. 17 : CASH AND BANK BALANCES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	1,37,10,616	6,29,35,528
	b) Cash on hand	25,08,903	10,44,500
	Total Cash and Cash Equivalents	1,62,19,519	6,39,80,028

NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2015 (Rupees)	As at 31.03.2014 (Rupees)
I	Short - Term Loans and Advances:		
	a) Security Deposit		
	LC Margin & Other Deposit	4,88,52,722	3,85,44,430
	b) Other loans And advances		
	Secured - Raw Material etc..	23,23,87,300	1,46,32,384
	Secured - Other Advances	2,35,01,387	2,46,95,840
	Total short term loans & advances	30,47,41,409	7,78,72,654

NOTE NO. 19 : REVENUE FROM OPERATIONS

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	Revenue from operations		
	(a) Sale of Products (Domestic)	160,11,85,045	95,07,76,204
	(b) Export Sale of Products	27,82,14,018	33,95,55,941
	(c) Export Sale (Exports Out Side India Stock in Trade)	48,10,71,480	67,00,17,508
	(d) Sale of Services	5,19,97,143	4,27,95,073
	(e) Other Operating Revenue	5,96,78,125	1,43,00,000
	Less: Excise Duties& Customs duties	26,43,651	34,32,618
	Total Revenue from Operations	246,95,02,160	201,40,12,108

NOTE NO. 20 : OTHER INCOME

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a)Other non-operating income(net of expenses directly attributed to such income)	27,66,102	18,95,195
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	13,96,843	(7,93,113)
	Total Other Income	41,62,945	11,02,082

NOTE NO. 21 : COST OF MATERIAL CONSUMED & PURCHASE OF STOCK IN TRADE

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	Material		
	Palm Stearin	7,29,64,620	10,53,06,535
	Mutton Tallow	21,83,67,306	24,12,13,515
	Rice Bran Oil	112,51,09,265	55,36,38,465
	Used Cooking Oil	66,19,70,427	78,22,24,484
	Palm Sludge Oil	-	74,78,574
	RB Acid oil.	-	17,01,343
	Fatty Acid Oil	2,33,74,123	2,57,36,286
	Chemicals & Consumables	58,018,361	5,97,45,964

	Sub total	215,98,04,102	177,70,45,166
	IROAF Sub contract Expenses	3,91,17,298	1,24,20,000
	Total Cost Of Material Consumed	219,8,921,400	178,94,65,166

NOTE NO. 22: CHANGE IN INVENTORIES & WIP.

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	Finished Goods		
	Finished goods at the beginning of the year	20,28,86,318	14,70,66,986
	Less : Finished goods at the end of the year	16,16,77,854	20,28,86,318
	Sub Total (A)	4,12,08,464	(5,58,19,332)
	Work In Progress		
	Work in progress at the beginning of the year	6,45,645	26,62,776
	Less: Work in progress at the ending of the year	-	6,45,645
	Less : Loss due to Cyclone Hudhud	6,29,53,695	-
	Sub Total (B)	(6,23,08,050)	20,17,131
	(Increase) / Decrease in Inventories (A+B)	(21,099,586)	(5,38,02,201)

NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Salaries & Wages	1,84,49,452	1,88,91,643
	(b) Contribution to Provident & Other Funds	30,00,238	31,01,556
	(c) Staff Welfare Expenses	48,30,721	51,95,659
	Total Employee Benefit Expenses	2,62,80,411	2,71,88,858

NOTE NO. 24 : OTHER OPERATING EXPENSES

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Consumption of Chemicals , Stores & Spares	1,75,33,573	45,93,281
	(b) Power & Fuel	6,50,37,864	7,00,38,338
	(c) Rent	61,540	83,990
	(d) Repairs to Machinery	1,18,14,990	59,37,196
	(e) Insurance	11,61,807	20,52,566

(f) Rates & Taxes (Excluding Income Tax)	73,36,825	13,68,933
(g) Bandwidth	3,30,95,000	2,47,38,374
(h) Other Mfg Expenses	93,81,458	1,07,21,983
(i) Factory Wages	2,82,86,550	2,20,45,161
(j) Shipping Charges	2,18,31,941	3,15,36,294
(k) Payment to Auditors:		
(i) As Auditor	75,000	65,000
(ii) For Taxation Matters	25,000	20,000
(iii) For Company Law Matters	25,000	20,000
(iv) For Management Services	25,000	20,000
Total Other Expenses	19,56,91,348	17,32,41,116

NOTE NO. 25 : ADMINISTRATIVE EXPENSES

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Telephone, Postage and Others	20,53,814	27,06,723
	(b) Business Promotion Expenses	-	10,000
	(c) Travelling & Conveyance	1,66,13,094	1,05,90,607
	(d) Office Maintenance	30,58,313	22,77,252
	(e) Printing & Stationery Expenses	4,28,638	4,28,452
	(f) Security Charges	9,06,378	8,32,252
	(g) Rent ,Rates & Taxes (excluding Income Tax)	28,77,290	32,09,796
	(h) Managerial Remuneration	43,20,000	55,20,000
	(i) Consultancy Charges	37,20,775	46,88,197
	(j) Gen Expenses	3,86,498	4,09,761
	(k) Director's Sitting Fee / Board Meeting Expenses	18,16,833	7,95,933
	Total Administrative Expenses	3,61,81,633	3,14,68,973

NOTE NO. 26 : FINANCE COST

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	(a) Interest Expenses :		-
	- Interest on Cash Credit	3,73,41,816	2,76,69,323
	- Interest on Car Loans / Term Loans	13,81,50,955	11,23,84,832
	- Loan processing Charges & Bank Charges	2,16,51,119	3,09,90,661
	- CDR - Facilitation Charges	-	1,21,11,239
	Total Finance Cost	19,71,43,890	18,31,56,055

NOTE NO. 27 : OTHER EXPENSES

S. No.	Particulars	For the year ended	
		31.03.2015	31.03.2014
		(Rupees)	(Rupees)
I	Loss on Sale Of Vehicles	21,87,587	3,30,156
	Advertisements	4,000	51,202
	Collection Expenses	85,000	2,24,621
	Commission & Discounts	28,53,598	2,28,16,727
	Freight Charges - Outward & Insurance	3,37,59,703	1,26,20,715
	Business Promotion Expenses	35,77,413	49,54,484
	Total Other expenses	4,24,67,301	4,09,97,905

Summary of Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2015.

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 November 9, 1998 with Registrar of Companies, Hyderabad and subsequently converted into a Public Limited Company on January 4, 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 vegetables oils, fatty acids, animal fats, etc for partial substitution or using as a blend in fossil diesel. This project is located at Samsthan Narayanpur (v), Nalgonda Dist, Telangana. The Second Bio diesel unit with a capacity of 250 TPD is located at APIIC, SEZ, Visakhapatnam, Andhra Pradesh.

Summary of Significant Policies:

General:

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

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

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

iii) Use of Estimates

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

Cash and Cash Equivalents

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

Cash Flow Statement

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

Tangible and Intangible Assets

Tangible fixed assets

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

Intangible Assets

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

Capital Work-in-Progress

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

Depreciation and Amortization

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

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

The carrying value of fixed assets whose life has completed as per Schedule II of the Companies Act 2013 is transferred to Retained earnings amounting to Rs 5,67,542/-.

Investments

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

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

Inventories

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

Revenue recognition

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

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

Foreign Exchange Transactions

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

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

Retirement Benefits

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

Segment reporting

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

Related Party Disclosures:

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

Earnings per Share

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

Taxes on Income

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

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

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

Provisions, Contingent Liabilities and Contingent Assets

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

NOTES TO FINANCIAL STATEMENTS:

28. Share Capital:

The Equity Share Capital of the company as on 31st March, 2015 is 5,89,93,288 Equity Shares of Rs. 10/- each fully paid up.

During the year:

During the year 2014-15 the Company has allotted 77,15,414 Equity Shares of Rs 10/- each and the same is included in the share capital as on 31st March 2015.

29. Investments

During the year 2004-05 the Company has invested the 3,43,097 Equity shares of Rs 10/- each fully paid up to the shareholders of Southern Biofe Fuels Private Limited as 99.97% subsidiary company and same is approved by Board of Directors.

No other investments were made by the Company.

30. 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 construction of Bio diesel plant for IROAF at Tondiarpet, Chennai.

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

The Bio Diesel division manufactures the Bio diesel.

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

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

- a) The income and expenditure relating to 30 TPD capacity Bio diesel unit at Tondiarpet, Chennai.
- b) The income and expenditure relating to Cross country trading of Used Cooking Oil.

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 31.03.2015	ISP		Bio Diesel		Others		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues	519.97	427.95	9134.83	9369.00	15040.22	10343.17	24695.02	20140.12
Identifiable Operating Expenses	390.03	282.29	6846.23	10579.91	14351.81	6179.26	21588.06	17041.46
Allocated Expenses	121.16	122.19	4095.84	3342.51	175.37	340.17	4392.37	3804.87
Segmental Operating Income	8.79	23.47	(1807.23)	(4553.42)	513.04	3823.74	(1285.40)	(706.21)
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	8.79	23.47	(1807.23)	(4553.42)	513.04	3823.74	(1285.40)	(706.21)
Interest Expenses	4.60	14.58	1965.61	1810.71	1.23	6.27	1971.44	1831.56
Other Income	-	0.26	27.66	(30.31)	13.97	41.07	41.63	11.02
Net profit before taxes and prior period items	4.18	9.14	(3745.18)	(6394.44)	525.78	3858.54	(3215.21)	(2526.75)
Provision for taxation	-	(1.51)	(2045.58)	(818.29)	-	-	(2045.58)	(819.81)
Prior period Items	-	-	-	-	-	-	-	-
Net profit after taxes and before exceptional items	4.18	10.65	(1699.61)	(5576.15)	525.78	3858.54	(1169.64)	(1706.95)
Exceptional items	-	-	-	-	-	-	-	-
Profit after tax and exceptional items	4.18	10.65	(1699.61)	(5576.15)	525.78	3858.54	(1169.64)	(1706.95)

Geographical segments

(Rs In Lakhs)

Revenues	As at 31.03.2015	As at 31.03.2014
India	17,102.17	10,044.39
Outside India	7,592.85	10,095.73
Total	24,695.02	20,140.12

31. 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 2045.57 lakhs on business loss of the current financial year 2014-15 and the earlier years. 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 Bio Diesel situated at Vizag.

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Deferred Tax Liability		
a) Opening Balance	(3,59,59,554)	(11,79,40,111)
Less: Deferred tax asset	20,45,57,542	8,19,80,557
Total DTA/(DTL)	16,85,97,988	(3,59,59,554)

32. Foreign Exchange Earnings

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
Export of goods	75,92,85,498	1,00,95,73,449

33. Foreign Exchange Outflow

(Rupees)

Particulars	As at 31.03.2015	As at 31.03.2014
For Purchases	83,01,23,691	80,18,55,095
Total	83,01,23,691	80,18,55,095

34. 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	As at 31.03.2015	As at 31.03.2014
Salary & Allowances (Whole Time Directors)	55,20,000	55,20,000

35. Remuneration to Auditors

(Rupees)

Particulars	31.03.2015	31.03.2014
Audit Fees	1,50,000	1,25,000
Total	1,50,000	1,25,000

36. Details of Quantitative Information:

The Company is engaged in the Internet Service Provider (ISP) services and Biodiesel Unit construction for Indian Railways (IROAF). 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. In respect of Bio Diesel Division and UCO Merchant trading the quantitative information is as follows:

Sl. No.	Quantitative Information	2014-15		2013-14	
		Qty (Kgs/Lts)	Value (Rs)	Qty (Kgs/Lts)	Value (Rs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	286 TPD		286 TPD	
C	Finished Goods				
	Biodiesel (in Kgs)				
	Opening Stock	8,75,688	5,34,07,072	13,74,113	6,23,60,080
	Production During the Year	1,16,90,850	76,31,58,595	94,20,680	43,14,60,558
	Stock transfer	-	-	-	-
	Sales During the year	1,04,73,138	62,44,00,023	97,76,551	43,32,06,786
	Sludge & Fatty	1,23,292	29,59,008	-	-
	Hudhud Loss	4,39,556	3,16,48,032	-	-
	Closing Stock of Bio Diesel in KGs	15,30,552	10,08,73,679	10,18,242	5,34,07,072
	Glycerine				
	Opening Stock	11,85,564	6,52,06,020	11,35,164	5,37,27,547
	Production During the Year	13,37,359	4,90,26,990	7,60,284	3,24,09,471
	Sales During the year	5,58,690	90,94,289	4,27,580	1,38,35,928
	Consumption for Rice Bran Oil	2,92,402	51,43,591	2,82,304	1,26,37,115
	Hudhud Loss	6,11,974	3,05,70,049	-	-
	Closing Stock of Glycerine	10,59,857	5,29,92,850	11,85,564	6,52,06,020
	Rice Bran Oil Processed				
	Opening Stock	14,46,995	7,95,84,725	51,077	23,56,575
	Processed During the Year	16,29,797	9,10,76,285	25,95,777	12,41,20,118
	Sales During the year	29,05,932	15,99,79,689	11,99,859	5,84,57,595
	Hudhud Loss	18,611	7,28,873	-	-
	Sludge & Fatty	50,198	12,04,752	-	-
	Closing Stock of Rice Bran Oil	1,02,051	57,14,856	14,46,995	7,95,84,725
	Biodiesel Residue				
	Opening Stock	-	-	62,234	26,10,716
	Production During the Year	-	-	-	-
	Sales During the year	-	-	-	-
	Consumption for Bio-Diesel	-	-	62,234	26,10,716
	Closing Stock of Bio-Diesel Residue	-	-	-	-
	Sludge & Fatty Acid Oil				
	Opening Stock	2,45,111	53,34,148	37,773	8,67,144
	Production During the Year	7,24,319	1,39,99,353	6,56,341	1,30,44,183
	Sales During the year	8,76,296	1,51,99,149	4,51,560	82,23,119
	Closing Stock of Sludge & Fatty	93,134	20,96,469	2,45,111	53,34,146
	Opening Stock	-	-	5,56,154	2,78,07,700
	Production during the year	-	-	54,49,466	29,09,56,233
	Sales during the year	-	-	60,05,620	33,95,55,941
	Closing stock of processed UCO	-	-	-	-

D	RAW MATERIAL CONSUMED			
	Seeds			
Opening Stock	14,791	1,57,363	14,791	1,57,363
Purchased During the Year	-	-	-	-
Sales During the year	-	-	-	-
Closing Stock of Seeds	14,791	1,57,363	14,791	1,57,363
	Tallow			
Opening Stock	3,23,388	1,21,35,914	2,00,920	87,91,064
Purchased During the Year	55,11,195	21,01,88,787	66,16,882	24,45,58,365
Consumed During the year	57,30,727	21,83,67,306	64,94,414	24,12,13,515
Closing Stock of Tallow	1,03,856	39,57,395	3,23,388	1,21,35,914
	Palm Stearine			
Opening Stock	4,59,326	2,28,14,425	27,399	9,67,228
Purchased During the Year	14,28,625	6,00,20,237	28,52,388	12,71,53,731
Consumed During the year	16,52,950	7,29,64,620	24,20,461	10,53,06,534
Closing Stock of Palm Stearine	2,35,001	98,70,042	4,59,326	2,28,14,425
	Fatty Acid Oil			
Opening Stock	6,40,980	3,26,09,934	30,524	9,87,760
Purchased During the Year	6,11,885	2,86,86,070	11,45,365	5,73,58,460
Consumed During the year	4,77,803	2,33,74,123	5,34,909	2,57,36,286
Hudhud Loss	6,80,378	3,32,87,270	-	-
Closing Stock of Fatty Acid Oil	94,684	46,34,611	6,40,980	3,26,09,934
	Rice Bran Oil			
Opening Stock	54,958	23,63,540	3,42,285	1,41,54,003
Purchased during the year	2,22,90,425	119,91,30,564	1,14,90,859	54,35,49,345
Sales during the year	1,98,46,034	106,41,42,121	91,53,762	42,59,18,670
Consumed during the year	11,68,034	5,85,10,590	26,24,421	12,94,21,138
Closing Stock of Rice Bran Oil	13,31,315	7,63,74,103	54,958	23,63,540
	Used Cooking Oil			
Opening Stock	6,78,800	3,04,44,526	3,32,676	1,46,49,058
Purchased during the year	1,66,40,370	70,49,61,538	1,78,40,192	79,80,19,952
Sales during the year	1,10,73,970	48,10,71,481	1,35,53,904	67,00,17,506
Consumed during the year	46,86,981	23,33,98,185	39,40,164	17,67,18,384
Hudhud Loss	9,78,276	4,83,41,840	-	-
Closing Stock of Used Cooking Oil	5,79,943	2,50,93,810	6,78,800	3,04,44,526
	Palm Sludge Oil			
Opening Stock	-	-	-	-
Purchased During the Year	-	-	1,69,455	74,78,574
Consumed During the year	-	-	1,69,455	74,78,574

37. DETAILS OF RELATED PARTY TRANSACTION

The company has entered into the following related party transactions as on 31st March, 2015 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, Whole Time Director & CFO
Mr B Sreedhara Reddy	Promoter & Director Administration
Mr B H R Balaji	Promoter & Executive Director

b) The following are the related party transactions:

Name of the Party	Relationship	Nature of Transaction	(Rs in Lakhs)	
			Amount 31.03.15	Amount 31.03.14
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	19,20,000	19,20,000
		Vehicle lease	8,50,000	-
Mr. K. Radha Krishna	Promoter, Whole Time Director & CFO	Remuneration	12,00,000	12,00,000
		Vehicle lease	8,50,000	-
Mr. B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	12,00,000	12,00,000
		Vehicle lease	8,30,000	-
Mr. B.H.R.Balaji	Promoter & Executive Director	Remuneration	12,00,000	12,00,000

38. PRIOR PERIOD ITEMS: NIL

39. Earning per share:

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

Particulars.	(Rupees)	
	2014-15	2013-14
Profit available for the equity share holders (Rs)	(11,89,83,799)	(17,06,94,915)
No. of shares outstanding for EPS-Basis	5,89,93,288	5,12,77,874
No. of equity shares outstanding of EPS-Diluted	5,89,93,288	5,12,77,874
Basic	(1.98)	(4.93)
Diluted	(1.98)	(4.93)

40. Confirmations were obtained from debtors / creditors as to the balances receivable / payable to them as at year ended 31st March 2015.

41. BANK GUARANTEES

The Company has outstanding guarantees and counter guarantees of Rs 1,78,98,799/- as on 31.03.2015 (previous year ended 31.03.2014 is Rs 1,89,98,799/-) 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).

42. LETTER OF CREDITS

The company has outstanding Letter of Credit to the extent of Rs. 65,77,22,406/- as on 31.03.2015. (Previous year Rs 46,41,21,151/- as on 31.03.2014).

43. RIGHT OF RECOMPENSE (ROR)

a) ROR to CDR lender for the relief fi and sacrifice extended is subject to the provisions of CDR guidelines and MRA.

b) As per CDR package the ROR amount for the year 2014-15 is Rs 12.16 Cr.

44. The Visakhapatnam unit of the Company was effected by the natural calamity i.e. cyclone Hudhud on 12th October 2014. Due to the cyclone, the unit has incurred the loss of Rs 1914.29 Lakhs. The damages are properly covered with the insurance and the petition for the claim of such losses has been already filed to the insurance company. The claim of the company is under process with the National Insurance Company Limited as on balance sheet date.
45. Previous year figures have been regrouped wherever necessary.
46. The figures have been rounded off to the nearest rupee.

As per our report of even date.

for P Murali & Co.,
Chartered Accountants
FRN NO: 007257S

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

For and on behalf of the Board of Directors

for Southern Online Bio Technologies Ltd .

Sd/-
N Satish Kumar
Managing Director

Sd/-
K Radha Krishna
Whole Time Director & CFO

Sd/-
G Anupama
Company Secretary

Place: Hyderabad
Date : 27/05/2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

PARTICULARS	Year Ended 31.03.2015 (Rs in Lakhs)	Year Ended 31.03.2014 (Rs in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(3215.21)	(2,526.75)
Adjustments for:		
Depreciation	920.54	722.86
Written off Expense	275.46	37.88
Interest	1,971.44	1,831.56
Operating Profit before working capital charges	(47.77)	65.54
Increase in Loans and Advances	(2,657.43)	(251.17)
Trade and other receivables	(2,231.43)	209.33
Inventories	336.02	(1,367.19)
Trade payables	-	1,831.02
Cash generated from operations	(4,600.61)	487.54
Interest paid	1,971.44	1,831.56
Cash flow before extraordinary items - (A)	(6,572.05)	(1,344.02)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	253.41	(37.88)
Purchase of Fixed Assets	(219.08)	324.59
Net cash used in investing activities - (B)	34.33	286.71
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Creditors for capital goods	2,056.64	-
Increase / decrease in Secured Loans	4,072.14	1,212.99
Increase in Share Application amount	-	800.37
Net Cash used in Financing activities - (C)	6,128.78	2013.36
Net increase in cash and cash equivalents - (A-B+C)	(477.61)	382.83
Cash and Cash equivalents as at (Opening Balance)	639.80	257.17
Cash and Cash equivalents as at (Closing Balance)	162.20	639.80
AS PER OUR REPORT OF EVEN DATE	FOR AND ON BEHALF OF THE BOARD	
for P Murali & Co., Chartered Accountants. FRN No. 007257S	For Southern Online Bio Technologies Limited	
Sd/- A Krishna Rao Partner M.No. 020085 Place: Hyderabad Date : 27.05.2015	Sd/- N Satish Kumar Managing Director	Sd/- K Radha Krishna Whole Time Director & CFO
	Sd/- G Anupama Company Secretary	

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: H No. 8-3-833/173, Kamalapuri Colony, Phase-II, Hyderabad - 500073

Email: info@sol.net.in, website: www.sol.net.in

Form MGT-11 Proxy form

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

Regd. Folio No. :	*DP ID :
No. of Shares held :	*Client ID :

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

1.Name & Address: _____

E-mail ID: _____ Signature

or failing him/her

2.Name & Address: _____

E-mail ID: _____ Signature

or failing him/her

3.Name & Address : : _____

E-mail ID: _____ Signature

or failing him/her and whose signatures are appended below as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company, to be held on Wednesday, the 30th day of September, 2015 at 10.30 a.m. at Mrugavani Resorts, # 177/1, Aziz Nagar, Moinabad, Hyderabad - 500 075 and at any adjournment thereof in respect of resolutions are indicated below:

Sl. No.	Resolution(s)	Vote	
		For	Against
1	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31 st March, 2015		
2	To appoint a Director in place of Mr N Satish Kumar who retires by rotation and being eligible offer himself for re-appointment.		
3	To appoint a Director in place of Mr K Radha Krishna who retires by rotation and being eligible offer himself for re-appointment.		

4	Re-appointment of M/s.P Murali & Co., Chartered Accountants as Statutory Auditors & fixing their remuneration		
5	Appointment of Mr G Viswanath as Nominee Director of the Company		
6	Re-appointment of Mr. BHR Balaji as Executive Director for a period of three years		
7	Re-appointment of Mr K Radha Krishna as Whole Time Director & CFO for a period of three years		
8	Re-appointment of Mr B Sreedhara Reddy as Director – Administration for a period of three years		
9	Appointment of M/s.Lavanya & Associates, Cost Auditors for the year 2015-16		
10	To alter Articles of Association of the Company in conformity with the Companies Act, 2013		

* Applicable for investors holding shares in Electronic form. Signed this day of _____ 2015

Affix Revenue Stamp

Signature of shareholder: _____

Signature of Proxy holder(s): _____

Note:

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

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Email: info@sol.net.in, website: www.sol.net.in

ATTENDANCE SLIP

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

Full name of the member attending _____

Member's Folio No/ Client ID: _____ No. of shares held: _____

Name of Proxy _____

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

I hereby record my presence at the 17th Annual General Meeting of the Southern Online Bio Technologies Ltd., at Mrugavani Resorts, # 177/1, Aziz Nagar, Moinabad, Hyderabad - 500 075 on Wednesday, the 30th day of September, 2015 at 10.30 a.m.

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

Note:

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

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: H No. 8-3-833/173, Kamalapuri Colony, Phase-II, Hyderabad - 500073

Email: info@sol.net.in, website: www.sol.net.in

17TH ANNUAL GENERAL MEETING Voting Through Electronic Means

Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the revised clause 35B of the Listing Agreement, the Company is providing e-voting facility to the Members of the Company, the facility to vote at the 17th Annual General Meeting to be held on Wednesday, the 30th September, 2015. Members of the Company can transact all the items of the business through electronic voting system, provided by Central Depository Services Limited, as contained in the Notice of the Meeting.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. S Sarveswar Reddy, Practicing Company Secretary, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the Company's website as well as intimated to the Stock Exchange (BSE).

The procedure and instructions for members for voting electronically are as under:

The remote e-voting period begins at 9.00 A.M. on 26th September, 2015 and ends at 5 P.M. on 29th September, 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

- i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com ii) Now click on "Shareholders" to cast your votes

iii) User-ID	For Members holding shares in Demat Form:- a) For CDSL:- 16 digits beneficiary ID b) For NSDL:- 8 Character DPID followed by 8 Digits Client ID For Members holding shares in Physical Form:- c) Folio Number registered with the Company
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"> ◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>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.</p>
vii) Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ◆ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio number or client id in the Dividend Bank details field as mentioned in instruction (iv).

viii) After entering these details appropriately, click on SUBMIT" tab

- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) 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.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii) Note for Non – Individual Shareholders and Custodians
- ✦ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - ✦ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - ✦ After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - ✦ The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - ✦ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) 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

1. Please follow all steps from SI no (i) to SI no (XV) above to cast vote.

By order of the Board of Directors

Place : Hyderabad
Date : 07.08.2015

Sd/-
G Anupama
Company Secretary

E-Voting Page

Resolution No. as per Notice	Particulars	No. of Shares Held	Assent	Dissent
1	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31 st March, 2015			
2	To appoint a Director in place of Mr N Satish Kumar who retires by rotation and being eligible offer himself for re-appointment.			
3	To appoint a Director in place of Mr K Radha Krishna who retires by rotation and being eligible offer himself for re-appointment.			
4	Re-appointment of M/s.P Murali & Co., Chartered Accountants as Statutory Auditors & fixing their remuneration			
5	Appointment of Mr G Viswanath as Nominee Director of the Company			
6	Re-appointment of Mr. BHR Balaji as Executive Director for a period of three years			
7	Re-appointment of Mr K Radha Krishna as Whole Time Director & CFO for a period of three years			
8	Re-appointment of Mr B Sreedhara Reddy as Director – Administration for a period of three years			
9	Appointment of M/s.Lavanya & Associates, Cost Auditors for the year 2015-16			
10	To alter Articles of Association of the Company in conformity with the Companies Act, 2013			



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If undelivered please return to :

SOUTHERN ONLINE BIO TECHNOLOGIES LTD.

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

Tel: 191-40-49221999, Fax : 191-40-49221998

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