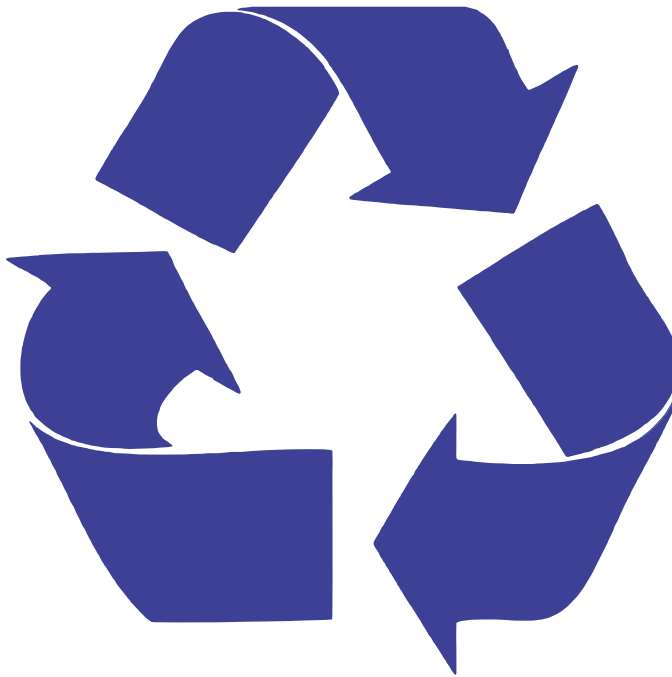


**20th
Annual Report
2017-2018**



SOUTHERN ONLINE BIO TECHNOLOGIES LTD

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



SBTL Biodiesel Plant - Visakhapatnam



SBTL Biodeisel Plant - Nalgonda Dist.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. T Rohini Reddy	- Non Executive Chairperson & Independent Director (DIN: 00638514)
Mr. N Satish Kumar	- Managing Director (DIN: 00552358)
Mr. K Radha Krishna	- Executive Director & CFO (DIN: 01585940)
Mr. B Sreedhara Reddy	- Director Administration (DIN: 01302512)
Mr. Bachala Ashok	- Non Executive & Independent Director (DIN: 06856936)
Mr. BHR Balaji	- Executive Director (DIN: 00552538)
Mr. Ashiwini Kumar Tripathi	- Non Executive & Independent Director (DIN: 00388913)
Mr. G Viswanath	- Nominee Director (Bank of India) (DIN: 07192232)
Mr. Bommu Prathap	- Non Executive & Independent Director (DIN: 08211023)

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

Mr. Bachala Ashok	- Chairperson
Ms.T Rohini Reddy	- 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

RISK MANAGEMENT COMMITTEE

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

BANKERS

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

STATUTORY AUDITORS

M/s. P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants, Plot No. 12, "N Heights", Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081

INTERNAL AUDITORS

M/s. V. Ravi & Co
Chartered Accountants
Hyderabad

SECRETARIAL AUDITOR

Aakanksha Shukla,
Practicing Company Secretary,
Plot No. 8-2-603/23/3 & 8-2-603/23, 15,
2nd Floor, HSR Summit,
Banjara Hills, Road No. 10,
Beside No. 1 News Channel office,
Hyderabad – 500034

REGISTRAR & TRANSFER AGENTS

M/s Aarthi Consultants Pvt. Ltd.,
Registered office at 1-2-285, Domalguda,
Hyderabad - 500 029.

PLANT LOCATIONS:

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

REGISTERED OFFICE

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

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

NOTICE OF 20th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **20th Annual General Meeting** of the members of **SOUTHERN ONLINE BIOTECHNOLOGIES LIMITED** will be held on Saturday, the 29th September, 2018 at 10.00 AM at Dwaraka Conference Hall, Plot No.73, Reliance Chambers, Bandlaguda Cross Roads, Rajendranagar Mandal, Hyderabad - 500080 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements (standalone and consolidated) of the Company for the year ended 31st March 2018, including the audited Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. B. Sreedhara Reddy, who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

3. RE-APPOINTMENT OF MRS. T ROHINI REDDY (DIN: 00638514) AS INDEPENDENT DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. T Rohini Reddy (DIN: 00638514), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024 or AGM in the year 2024 whichever is later.”

4. RE-APPOINTMENT OF MR. BACHALA ASHOK (DIN: 06856936) AS INDEPENDENT DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Bachala Ashok (DIN: 06856936), Director of the Company whose term expires on 31.03.2019 be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from 01.04.2019 to 31.03.2024 or AGM in the year 2024 whichever is later.”

5. RE-APPOINTMENT OF MR. K RADHA KRISHNA (DIN: 01585940) AS WHOLE-TIME DIRECTOR & CFO OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, consent of the members of the company be and is hereby accorded to reappoint Mr. K. Radha Krishna (DIN 01585940) as Whole-Time Director & CFO of the Company for a period of three years with effect from 05.01.2018 to 04.01.2021 and to pay such remuneration as per 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 in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits during his tenure the Company shall pay to Mr. K. Radha Krishna (DIN 01585940), remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“RESOLVED FURTHER THAT the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

6. RE-APPOINTMENT OF MR. B SREEDHARA REDDY (DIN: 01302512) AS WHOLE-TIME DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, consent of the members of the company be and is hereby accorded to reappoint Mr. B. Sreedhara Reddy (DIN:01302512) as Whole-Time Director of the Company for a period of three years with effect from 05.01.2018 to 04.01.2021 and to pay such remuneration as per 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 in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits”.

“RESOLVED FURTHER THAT in the event of losses or inadequacy of profits during his tenure the Company shall pay to Mr. B. Sreedhara Reddy (DIN:01302512), remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time”.

“RESOLVED FURTHER THAT the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

7. APPOINTMENT OF MR. BOMMU PRATHAP AS INDEPENDENT DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 160 of the Companies Act, 2013 and rules made thereunder, Mr. Bommu Prathap holding (DIN- 08211023) who was appointed as additional director by the Board of Directors in the meeting held on 31.08.2018 pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 read with Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting of the Company or the last date on which the Annual General Meeting should have been held, whichever is earlier and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Bommu Prathap as a candidate for the office of a director of the company who meets criteria of independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director of the company, not liable to retire by rotation, to hold office for a term of 5(five) consecutive years up to 30.08.2023.

“RESOLVED FURTHER THAT the Board is hereby authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

By Order of the Board
For Southern Online Bio Technologies Limited

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

Place : Hyderabad
Date : 31.08.2018

NOTES:

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

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

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising such representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2018 to 29.09.2018 (both days inclusive) for the purpose of annual closure.
5. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 and the Company has paid the Listing Fees to the said Stock Exchange for the year FY 2017-18.
6. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to nominations, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Aarhi Consultants Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Aarhi Consultants Private Limited.
8. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Aarhi Consultants Private Limited, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
9. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

10. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
11. Regulation 36 of SEBI (LODR) Regulations, 2015 permits sending of soft copies of annual reports to all those members who have registered their email addresses for the purpose.

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

12. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative. In case of the Shareholders holding shares in demat form the email IDs of the shareholders registered with DP and made available to the Company shall be the registered email IDs unless communication is received to the contrary.
13. The Securities and Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
14. Pursuant to Section 108 of the Companies Act, 2013 read with relevant Rules under the Act, the Company is pleased to provide the facility to the Members to exercise their right to vote through electronic voting. The members who have not cast their vote by remote e-voting shall be able to vote at the Annual General Meeting.
15. The members, whose names appear on the Register of Members/list of beneficial owners as on 22nd September, 2018 are eligible to participate in e-voting on the resolutions set forth in this notice.
16. The Companies (Management and Administration) Rules, 2015 provide that the electronic voting period shall close at 5:00 PM, on the date preceding the AGM. Accordingly, the e-voting will be available at www.evotingindia.com. The remote e-voting period will commence at 9:00 A.M. (IST) on 26th September, 2018 and will end at 5:00 P.M. (IST) on 28th September, 2018. The remote e-voting will not be allowed beyond the aforesaid period and time, and the remote e-voting module shall be disabled.
17. The member(s) who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.

18. In order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set forth in their Notice, the Company is enclosing a Ballot form with the Notice. Resolution (s) passed by the members through ballot forms, remote e-voting and voting at the AGM are deemed to have passed as if they have been passed at the AGM.
19. The Company has appointed Ms. Aakanksha Shukla, Company Secretary in Practice, Hyderabad to act as Scrutinizer to scrutinize the poll at the Annual General Meeting, remote e-voting process and through ballot form in a fair and transparent manner.
20. The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have not registered their e-mail ids with the Company/their respective Depository Participant along with physical copy of the Notice. Those members who have registered their e-mail IDs with the Company/their respective Depository Participant are being forwarded the login ID and password for e-voting along with process, manner and instruction by e-mail.
21. Members are requested to send all communication relating to shares to the Company's Share Transfer Agents (Physical and Electronic) at M/s. Aarathi Consultants Private Limited, Domalguda, Hyderabad. Further, kindly note that members holding shares in physical form and intending to transfer their shares have to furnish the PAN particulars of transferee along with the share transfer deeds for affecting the physical share transfer.
22. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date of 22nd September, 2018, may obtain User ID and Password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for e-voting, then you can use your existing User ID and Password for casting your vote.
23. Please note that, any queries pertaining to accounting related aspects may be posted/handed over to the Secretarial Department at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.
24. The relative Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 in respect of Special Businesses set out above is annexed herewith.
25. In compliance with Regulation 44, SEBI Listing Obligation and Disclosure Requirements, 2015 and Sections 108 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company is pleased to provide e-voting facility to all its Members, to enable them to cast their votes electronically. The Company has engaged the services of CDSL for the purpose of providing e-voting facility to all its Members. The instructions for e-voting are as follows:

INSTRUCTIONS FOR EVOTING

- i. The voting period begins on 26thSeptember, 2018 at 9.00 a.m. and ends on 28thSeptember, 2018 at 5.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22ndSeptember, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iv. Click on Shareholders.
- v. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen.

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

- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant Southern Online Biotechnologies Limited on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Non - Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRIs etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

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

By Order of the Board
For Southern Online Bio Technologies Limited

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

Place : Hyderabad
Date : 31.08.2018

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

ITEM NO. 3 & 4:

The term of independent directors namely - Mrs. T Rohini Reddy and Mr. Bachala Ashok expires on 31.03.2019. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. T Rohini Reddy and Mr. Bachala Ashok being eligible and offered themselves for re-appointment as an Independent Directors for five consecutive years for a term upto 31st March, 2024 or AGM in the year 2024 whichever is later. A notice has been received from a member proposing Mrs. T Rohini Reddy and Mr. Bachala Ashok as independent Directors of the Company.

In the opinion of the Board, Mrs. T Rohini Reddy and Mr. Bachala Ashok fulfil the conditions specified in the Companies Act, 2013 and rules made there under for their appointment as Independent Directors of the Company and are independent of the management.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. T Rohini Reddy and Mr. Bachala Ashok as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of Mrs. T Rohini Reddy and Mr. Bachala Ashok as Independent Directors, for the approval of the shareholders of the Company.

Except Mrs. T Rohini Reddy and Mr. Bachala Ashok being appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 3 & 4.

ITEM NO. 5:

Mr. K. Radha Krishna (DIN 01585940) earlier was appointed as Whole-Time Director & CFO of the Company upto 04.01.2018 at the 17th Annual General Meeting held on 30.09.2015.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 30th June 2008, approved the re-appointment of Mr. K. Radha Krishna (DIN 01585940) as Whole-Time Director & CFO of the Company for a term of three years commencing from 05.01.2018 to 04.01.2021.

The Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no. 5.

Save and except Mr. K. Radha Krishna (DIN 01585940), Whole-Time Director & CFO, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION:

1	Nature of Industry : Biodiesel Manufacturing & Internet Service Provider			
2	Date or expected date of commencement of commercial: NA			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: NA			
4	Financial performance based on given indications			
	Particulars	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)	2015-16 (Rs. in lakhs)
	Turnover	930.51	12,409.50	22,164.50
	Net profit/loss after Tax	(13,391.85)	(7,538.42)	(501.19)
5	Foreign investments or collaborations, if any: NA			

II. INFORMATION ABOUT THE APPOINTEE:

1.	Background Details: Mr K Radha Krishna, aged 49yrs, is a graduate in Civil Engineering. He has 24 years of rich experience in fields of construction, Information technology and biodiesel. He is one of the Promoter Director of (SBTL).
2.	Past Remuneration: Rs. 12.00 Lakhs PA
3.	Recognition or awards : NIL
4.	Job Profile and his suitability: He is Director of SBTL from inception of the company to 2004. From 2005 onwards he is Director Finance of the Company. He is having rich experience in Finance. He played a major role in diversifying the company into Biodiesel manufacture. Under his leadership the Company has got huge orders for supply biodiesel to many reputed customers (both in India and abroad).
5.	Remuneration proposed: Directors were not drawing remuneration for the financial year 2017-2018, in view incurred losses of the account.
6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): The Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the other manufacturing Companies and other companies comparable with the size of the Company, industry benchmark in general, and accorded due cognizance to all these factors before approving the remuneration as proposed hereinabove. Considering professional qualifications, background, experience and competence of Mr. Radha Krishna and the responsibility shouldered by him, the terms of remuneration are considered to be fair, just and reasonable.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: He is promoter as well as whole time Director & CFO

III. OTHER INFORMATION:

1.	Reasons for inadequate profits: The net loss incurred is due to lack of working capital which resulted in to poor operations in both plants. More over currently both plants are under shutdown.
2.	Steps taken or proposed to be taken for improvement: In order to mitigate the hardships caused by the reasons mentioned above, In lieu of company account becoming NPA with lenders, the Lead Banker that is Bank of India has filled the petition with Hon'ble National Company Law Tribunal (NCLT), Hyderabad for the recovery of dues under section of Companies Act 7 of IBC and management has filed counter. The petition is yet to be admitted.
3.	Expected increase in productivity and profit in measurable terms: NA

ITEM NO. 6:

Mr. B. Sreedhara Reddy (DIN:01302512) earlier was appointed as Whole-Time Director of the Company upto 04.01.2018 at the 17th Annual General Meeting held on 30.09.2015.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 30th June 2008, approved the re-appointment of Mr. B. Sreedhara Reddy (DIN:01302512) as Whole-Time Director of the Company for a term of three years commencing from 05.01.2018 to 04.01.2021.

The Board of Directors recommends the passing of the above resolution as a Special Resolution set out in the item no. 6.

Save and except Mr. B. Sreedhara Reddy (DIN:01302512), Whole-Time Director, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION:

1	Nature of Industry : Biodiesel Manufacturing & Internet Service Provider			
2	Date or expected date of commencement of commercial: NA			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: NA			
4	Financial performance based on given indications			
	Particulars	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)	2015-16 (Rs. in lakhs)
	Turnover	930.51	12,409.50	22,164.50
	Net profit/loss after Tax	(13,391.85)	(7,538.42)	(501.19)
5	Foreign investments or collaborations, if any: NA			

II. INFORMATION ABOUT THE APPOINTEE:

1.	Background Details: Mr B Sreedhara Reddy aged 49 years is Graduate in Civil Engineering from Nagarjuna University, Guntur. He was involved in several construction projects. He is one of the Promoter Director of SBTL (Southern Online Biotechnologies Limited).
2.	Past Remuneration: Rs. 12.00 Lakhs PA
3.	Recognition or awards : NIL
4.	Job Profile and his suitability: He is Director of SBTL (Southern Online Biotechnologies Limited) from inception of the company to 2004. From 2010 onwards he is Whole time Director of the Company. He has experience of more than 20 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 doesn't hold any committee Memberships in any Company.
5.	Remuneration proposed: Directors were not drawing remuneration for the financial year 2017-2018, in view incurred losses of the account.
6.	Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):The Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the other manufacturing Companies and other companies comparable with the size of the Company, industry benchmark in general, and accorded due cognizance to all these factors before approving the remuneration as proposed hereinabove. Considering professional qualifications, background, experience and competence of Mr. B Sreedhara Reddy and the responsibility shouldered by him, the terms of remuneration are considered to be fair, just and reasonable.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: He is promoter as well as whole time Director

III. OTHER INFORMATION:

1.	Reasons for inadequate profits: The net loss incurred is due to lack of working capital which resulted in to poor operations in both plants. More over currently both plants are under shutdown.
2.	Steps taken or proposed to be taken for improvement: In order to mitigate the hardships caused by the reasons mentioned above, In lieu of company account becoming NPA with lenders, the Lead Banker that is Bank of India has filled the petition with Hon'ble National Company Law Tribunal (NCLT), Hyderabad for the recovery of dues under section of Companies Act 7 of IBC and management has filed counter. The petition is yet to be admitted.
3.	Expected increase in productivity and profit in measurable terms: NA

ITEM NO. 7:

Mr. Bommu Prathap as appointed as Additional Director on 31.08.2018, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive & Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall who hold office until the date of the ensuing Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier and in terms of Section 161(1) of the Companies Act, 2013. The Company has received a notice from a member under section 160 of the Companies Act 2013, proposing the candidature of Mr. Bommu Prathap for the office of director under the category of Independent Director.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made there under and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Bommu Prathap as 'Independent Director' for a term up to 30.08.2023, and pass the resolution set out at Item No. 7. The appointment of Mr. Bommu Prathap is required to be made in compliance with the provisions of Section 160 of the Companies Act, 2013.

In the opinion of the Board, Mr. Bommu Prathap fulfils the conditions specified in the Companies Act, 2013 and the Rules framed there under and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

Except Mr. Bommu Prathap being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7

By Order of the Board
For Southern Online Bio Technologies Limited

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

Place : Hyderabad
Date : 31.08.2018

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 20th Directors' report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

1. FINANCIAL RESULTS:

The performance during the period ended 31st March, 2018 has been as under:

(Rs. in Lakhs)

Particulars	2017-18	2016-17	2015-16
Total Income	930.51	12,409.50	22,164.50
Total Expenditure	14,033.84	19,898.28	22,906.41
Profit before Tax	-13,103.33	-7,488.77	-741.90
Provision for Tax	288.52	49.65	-240.71
Profit after Tax	-13,391.85	-7,538.42	-501.19
Transfer to General Reserve	-	-	-
Profit available for appropriation	-	-	-
Provision for Proposed Dividend	-	-	-
Provision for Corporate Tax	-	-	-
Balance Carried to Balance Sheet	-13,391.85	-7,538.42	-501.19

2. PERFORMANCE:

a) Operations:

The total revenue of the Company for the financial year ended 31st March, 2018 is Rs 930.51 Lakhs as compared to the previous year's total revenue of Rs 12,409.50 lakhs. During this financial year the Company has incurred a net loss of Rs 13,391.85 lakhs as against the previous year's net loss of Rs 7,538.42 lakhs. The net loss incurred is due to lack of working capital which resulted in to poor operations in both plants. More over currently both plants are under shutdown.

b) Prospects:

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

Indian Government has introduced a new policy. The Goal policy is to ensure that a minimum level of biofuels become readily available in the market to meet the demand at any given time. An indicative target of 5% blending of bio diesel by 2030 is proposed.

Hence the Biodiesel industry has got very good future.

c) Company Prospects:

Company plans to revive the present situation.

d) 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

e) 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.

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

f) Bio diesel Plant at Tondiarpet, Chennai:

The 30 TPD Biodiesel plant for Indian Railways Organization for Alternate Fuels (IROAF), Ministry of Railways is under implementation by the Company and is expected to commence the production soon, through a contractor by entering in to back to back project execution contract.

g) Biodiesel plant at Raipur, Chhattisgarh:

The 30 TPD Biodiesel plant for Indian Railways Organization for Alternate Fuels (IROAF), Ministry of Railways is under implementation by the Company through a contractor by entering in to back to back project execution contract.

3. DEPOSITS:

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

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

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

5. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) That the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st March, 2018 and of the profit and loss of the company for that period;
- c) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) That the directors have prepared the annual accounts for the financial year 31st March, 2018 on a going concern basis; and
- e) That the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; **and**

- f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

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

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

In lieu of company account becoming NPA with lenders, the Lead Banker that is Bank of India has filled the petition with Hon'ble National Company Law Tribunal (NCLT), Hyderabad for the recovery of dues under section of Companies Act 7 of IBC and your management has filed counter. The petition is yet to be admitted.

8. RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.sol.net.in.

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

9. EXTRACT OF ANNUAL RETURN:

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

10. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

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

11. NOMINATION AND REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy which laysdown a framework in relation to selection, appointment and remuneration to Directors, Key

Managerial Personnel and Senior Management of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

12. SUBSIDIARIES:

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

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

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

13. INTERNAL AUDITORS:

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

14. SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Aakanksha Shukla, Practicing Company Secretary to conduct Secretarial audit of the company for the financial year ended March 31st, 2018.

The Secretarial Audit Report issued by Ms. Aakanksha Shukla, Practicing Company Secretary in Form MR-3 is enclosed as **Annexure-V** to this Annual Report.

The Board has duly reviewed the Secretarial audit report for the year ended 31.03.2018 and noted the observations and proper explanation for the same is also mentioned below:

Observations by Secretarial Auditors	Explanation by the Board
Non-appointment of Company Secretary as per section 203 of the Companies Act, 2013	Management is under the process of identifying the appropriate candidate for the post of Company Secretary.
The Directors of the Company namely Mr. BHR Balaji, Mr. Ashiwini Kumar Tripathi and Mr. G Viswanath during the period of 12 months with or without seeking of leave of absence which leads to casual vacancy as per Section 167 of the Companies Act, 2013 and the requisite filing of form with office of ROC is not be done.	The Management will take steps to file the necessary forms with the office of Registrar of Companies at the earliest.

15. STATUTORY AUDITORS:

M/s P C N & Associates, (Formerly Known as Chandra Babu Naidu & Co.) Chartered Accountants, Hyderabad were appointed as the Statutory Auditors of the Company in 19th Annual General Meeting held on 30.12.2017 for a period of 5 years ending on conclusion of the Annual General Meeting to be held for the financial year 2021-22.

However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been omitted.

16. AUDITORS' REPORT:

(a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and has noted the following observations:

- The company has defaulted in repayment of Loans in principle and interests thereon to their respective Banks/Financial institutions and turned into NPA (Non Performing Asset).
- The loans of said Banks/Financial institutions have been assumed or arrived at on the basis of accounts furnished by the company as Rs.295.98 Crores (Including Principle and Interest Provisions on the loans and excluding Penal Interest) and Interest Provision made during the year as Rs.22.53 Crores were considered which is not paid by the company.
- The lenders have referred the matter to National Company Law Tribunal (NCLT) for resolution of debt.
- The company incurred losses during previous year and current financial year. In the current quarter too the company incurred loss of Rs. 10.86 Crores. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded.
- The management of the company prepared financials on the basis of going concern assumption. However, the eroded Networth, Non Repayment of Loans, Non Operational of the Bio-Diesel Division and Fixed Assets Coverage Ratio (FACR) which significantly affects the company's ability to continue as a going concern.
- During the year the management of the company has decided to write off the Trade receivables an amount of Rs. 96.96 Crores and Trade payables an amount of Rs. 2.60 Crores for the said amounts.
- Company is irregular in paying the statutory dues and respective following amounts towards TDS, VAT, CST and Others as follows:

S.No	Description	Amount – Rs. Lakhs
1	TDS	12.33
2	VAT	11.62
3	CST & Others	22.84

Explanation of the Board on the comments made by the auditor:

The Board noted the qualifications given by the statutory auditors and explained that the company incurred losses during previous year and current financial year. In the current quarter too the company incurred loss of Rs. 10.86 Crores. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded.

The total revenue of the Company for the financial year ended 31st March, 2018 is Rs 930.51 lakhs as compared to the previous year's total revenue of Rs 12,409.50 lakhs. During this financial year the

Company has incurred a net loss of Rs 13,391.85 lakhs as against the previous year's net loss of Rs 7,538.42 lakhs. The net loss incurred is due to lack of working capital which resulted in to closure of operations in both plants.

Since the company's account became NPA with lenders, the Lead Banker that is Bank of India has filled the petition with Hon'ble National Company Law Tribunal (NCLT), Hyderabad for the recovery of dues under section of Companies Act 7 of IBC and the company has filed counter. The petition is yet to be admitted.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

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

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

19. COST AUDITORS:

Cost Auditors not applicable, has the turnover is less than applicable limit.

20. STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE:

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is annexed as **Annexure VI**.

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

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, ratio of remuneration to median employees is annexed as **Annexure VI**

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

22. CONSOLIDATED FINANCIAL STATEMENTS:

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

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

23. SHARE CAPITAL:

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

24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

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

25. BOARD EVALUATION:

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below:

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board's performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

26. DIRECTORS AND KEY MANAGERIAL PERSONAL (KMP):

Ms. Ankita Damani was appointed as Company Secretary w.e.f 24.04.2017 and resigned on 22.05.2017.

In accordance with Section 152 of the Act, Mr. B. Sreedhara Reddy, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Bommu Prathap (DIN: 08211023) as appointed as an additional director w.e.f 31.08.2018 under the category of Non-executive Independent Director. Now, it's proposed to regularize him as director of the company in his category. The Board welcomed and congratulated the New Director appointed on the Board of the Company.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. T Rohini Reddy and Mr. Bachala Ashok, Independent Directors of the company whose term expires on 31.03.2019 and being eligible and offer themselves for re-appointment as Independent Directors for five consecutive years upto 31st March, 2024 or the date of AGM in the year 2024 whichever is later.

Mr. K. Radha Krishna (DIN 01585940) and Mr. B. Sreedhara Reddy (DIN:01302512), Whole-Time Director and CFO and Whole – Time Director of the Company will be re-appointed for a term of 3 years w.e.f 05.01.2018 to 04.01.2021 respectively based on the recommendation made by Nomination and Remuneration committee.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-

Name of the Director	Mr B Sreedhara Reddy	Mrs. T Rohini Reddy	Mr. Bachala Ashok	Mr. K. Radha Krishna	Mr. Bommu Prathap
Date of Birth	05.06.1969	19.11.1974	18.06.1979	12.02.1968	01.07.1968
Date of Appointment	05.01.2010	29/10/2004	30/09/2014	09.11.1998	31.08.2018
Expertise in specific functional areas	Mr B Sreedhara Reddy aged 45 years is Graduate in Civil Engineering from Nagarjuna University, Guntur. He was involved in several construction projects. He has experience of more than 17 years in the field of construction and Information Technology. He is handling administration and	Ms Rohini Reddy, is a post graduate in M.Sc (Bio Technology) & M.Tech (Bio Technology) from JNT University and pursuing Ph.D in Bio Technology in JNT University, Hyderabad. She is currently heading Bio Technology department at CMR College of Engineering and	Mr Bachala Ashok born in 1979 is a graduate from MGR Medical University. He is Cosmetic and Dental Surgeon and Implantologist. He has more than 16 years of experience in the said field. He is also referral panel Doctor to Apollo hospitals, Sunshine, Prime and Rainbow Hospitals. He is on the Board of	Mr K Radha Krishna (DIN: 01585940) aged 49 years is Graduate in Civil Engineering. He has 24 years of rich experience in fields of construction, information technology and biodiesel. He is one of the Promoter Director of (SBTL).	He is aged about 50 years is Graduate in Bachelor of Arts. He has 20 years of rich experience in fields of construction works and various allied business.

	<p>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 doesn't hold any committee Memberships in any Company.</p>	<p>Technology. She has also been involved in R & D laboratories in the fields of Bio Technology research. She would be looking after Company's R & D efforts. She is in the Board of the Company since October 2004 and holds the Chairperson position for Audit Committee, Nomination and Remuneration committee and Stakeholders Relationship Committee. She holds 5000 equity shares in the Company. Except in Southern Online Bio Technologies she doesn't hold directorship or committee chairmanship / membership in any other companies.</p>	<p>Company from 14th August 2014. He is member of Audit Committee and Nomination and Remuneration Committee. Except in Southern Online Bio Technologies he doesn't hold directorship or committee chairmanship / membership in any other companies.</p>	<p>He is Director of SBTL from inception of the company to 2004. From 2005 onwards he is Director Finance of the Company. He is having rich experience in Finance. He played a major role in diversifying the company into Biodiesel manufacture.</p> <p>Under his leadership the Company has got huge orders for supply biodiesel to many reputed customers (both in India and abroad).</p>	
Qualifications	Graduate in Civil Engineering	Post Graduate in M.Sc (Bio Technology) & M.Tech (Bio Technology)	Graduate from MGR Medical University (Cosmetic and Dental Surgeon and Implantologist)	Graduate in Civil Engineering	Bachelor of Arts
Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	Southern Biofe Biofuels Pvt Ltd. Southern Online Services Ltd.	NIL	NIL	Southern Biofe Biofuels Pvt Ltd. Southern Online Services Ltd.	NIL
Inter se relationship among Directors	No Relationship	No Relationship	No Relationship	No Relationship	No Relationship

27. BOARD MEETINGS:

During the financial year under review, 8 (Eight) Board Meetings 24.04.2017, 22.05.2017, 30.05.2017, 26.08.2017, 14.09.2017, 20.11.2017, 14.12.2017, 14.02.2018. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period of 120 days as prescribed under the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015.

28. CORPORATE GOVERNANCE:

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

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

29. VIGIL MECHANISM:

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

29. FAMILIARISATION PROGRAMME:

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website

30. CHANGE IN NATURE OF BUSINESS:

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

31. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31st March, 2018 to which the financial statements relates and the date of signing of this report.

32. HUMAN RESOURCES:

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

33. ISO 9001-2008 CERTIFICATION:

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

34. POLICY ON SEXUAL HARRASSEMENT:

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2018, the Company has not received any Complaints pertaining to Sexual Harassment.

35. DEMATERIALISATION OF SHARES:

92.72% of the company's Paid-up Equity Share Capital is in dematerialized form as on 31st March, 2018 and balance 7.28% 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.

36. INSURANCE:

The properties and assets of your Company are adequately insured.

37. UNCLAIMED SECURITIES DEMAT SUSPENSE ACCOUNT:

As on date, there are 9,181 Equity Shares of Rs.10/- each, which were allotted in Initial Public Offer and Rights Issue of 2005, were lying in the escrow account due to non-availability of 18 shareholders correct particulars. Despite various reminders to them, by M/s. Aarathi Consultants Private Limited, Registrars and Share Transfer Agents, no response has been received. As a result, the said unclaimed shares were credited to Southern Online Bio Technologies Ltd - Unclaimed Securities Demat Suspense Account. Such shareholders may approach either the Company or our Registrars and Share Transfer Agents with their correct particulars and proof of their identity for crediting requisite shares from the Demat Suspense Account to their individual demat Accounts. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

38. TRANSFER TO RESERVES:

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

39. REVISION OF FINANCIAL STATEMENTS:

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

40. DIVIDEND:

Company has not declared any dividend during the year.

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

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

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

42. RISK MANAGEMENT POLICY:

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

43. DISCLOSURE OF COST AUDIT:

Appointment of Cost Auditors is not applicable as the turnover is less than applicable limit.

44. NON-EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURES:

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

45. CEO/CFO CERTIFICATION:

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

46. INDUSTRY BASED DISCLOSURE:

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

47. EVENT BASED DISCLOSURE:

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

1. **Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
2. **Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. **Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
4. **Non- Exercising of voting rights:** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

5. **Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.
6. **Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

48. SECRETARIAL STANDARDS:

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

49. COMPOSITION OF COMMITTEES:

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

50. APPRECIATION:

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

51. ACKNOWLEDGEMENT:

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

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

Place: Hyderabad
Date: 31.08.2018

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

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

ANNEXURE-I

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

FORM A

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

FORM B

(Disclosure of particulars with respect to Technology Absorption)

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

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

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

Place: Hyderabad
Date: 31.08.2018

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

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

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

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

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

S.No	Particulars	Details
1	Name(s) of the related party & Nature of relationship	NA
2	Nature of contracts/arrangements/transaction	NA
3	Duration of the contracts/arrangements/Transactions	NA
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5	Date of approval by the Board, if any	NA
6	Amount paid as advances, if any	Nil

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

Place: Hyderabad
Date: 31.08.2018

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

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

ANNEXURE - III

EXTRACT OF ANNUAL RETURN FORM MGT 9

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)
Financial Year ended on 31.03.2018**

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

S. No	Name & Description of main products/services	NIC Code of the Product/service	%Total turnover of the company
1	Internet Services Division	-	45
2	Bio Diesel division	40107	27
3	IROAF (Railway Bio-Diesel Projects Execution works)	-	28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

Note: Company applied for the closure of Marvel Bio Oil FZE Sharjah, UAE and awaiting for the closure certificate from concern authorities.

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

i) Category-wise Share Holding

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding									
1 Institutions									
(a) Mutual Funds/UTI									
(b) Financial Institutions/Banks									
(c) Central Government/State Government(s)									
(d) Venture Capital Funds									
(e) Insurance Companies									
(f) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(g) Foreign Portfolio Investors	39,35,125	0	39,35,125	6.22	39,44,081	0	39,44,081	6.64	-0.42
(h) Qualified Foreign Investor									
(i) Any Others(Specify)									
(i-i) Foreign Companies									
Sub Total (B)(1)	39,35,125	0	39,35,125	6.22	39,44,081	0	39,44,081	6.64	-0.42
B2 Non-Institutions									
(a) Bodies Corporate	47,36,360	47,046	47,83,406	7.56	43,42,417	0	43,42,417	7.31	0.25
(b) Individuals									
(l) Individual shareholders holding nominal share capital upto Rs.2 lakh	96,41,851	3,27,477	99,69,328	15.75	1,03,87,626	0	1,03,87,626	17.48	-1.73

(II) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1,93,61,464	4,38,000	1,97,99,464	31.29	1,92,35,292	4,38,000	1,96,73,292	33.10	-1.82
(c) Qualified Foreign Investor									
(d) Any Others(Specify)									
(d-i) Non Resident Individuals									
(d-ii) Overseas Corporate Bodies	10,000	0	10,000	0.02	10,000	0	10,000	0.02	-0.00
(d-iii) Trusts (NBFC)	3,500	0	3,500	0.01	400	0	400	0.00	0.00
(d-iv) Employees			0				0		0.00
(d-v) NRI - Non Repatriable	2,73,703	71,300	3,45,003	0.55	2,73,675	0	2,73,675	0.46	0.08
(d-vi) Clearing Members	3,44,353	0	3,44,353	0.54	2,33,687	0	2,33,687	0.39	0.15
(d-vii) Foreign Nationals	12,76,102	0	12,76,102	2.02	12,76,102	0	12,76,102	2.15	-0.13
(d-viii) NRI - Repatriable	13,24,045	0	13,24,045	2.09	13,03,223	0	13,03,223	2.19	-0.10
(e) Foreign Body	65,21,704	34,06,769	99,28,473	15.69	64,21,704	0	64,21,704	10.81	4.88
Sub Total (B)(2)	4,34,93,082	42,90,592	4,77,83,674	75.51	4,34,84,126	4,38,000	4,39,22,126	73.90	1.60
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,74,28,207	42,90,592	5,17,18,799	81.73	4,74,28,207	4,38,000	4,78,66,207	80.54	1.18

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,15,65,081	0	1,15,65,081	18.27	1,15,65,081	0	1,15,65,081	18.27	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	4,74,28,207	42,90,592	5,17,18,799	81.73	4,74,28,207	4,38,000	4,78,66,207	80.54	1.18
Total Non-Promoter-Non Public Shareholding (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total	5,89,93,288	42,90,592	6,32,83,880	100	5,89,93,288	4,38,000	5,94,31,288	99	1.18

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	60,27,652	10.22	10.22	60,27,652	10.22	10.22	0.00
2	Mr K Radha Krishna	25,34,657	4.30	4.30	25,34,657	4.30	4.30	0.00
3	Mr BHR Balaji	7,11,657	1.20	0.77	7,11,657	1.20	0.77	0.00
4	Mr B Sreedhara Reddy	21,22,157	3.60	3.60	21,22,157	3.60	3.60	0.00
5	Ms K Subhashini	97,500	0.16	0.00	97,500	0.16	0.00	0.00
6	Ms K Sumithra	51,000	0.08	0.00	51,000	0.08	0.00	0.00
7	Ms N Rama Devi	10,458	0.02	0.00	10,458	0.02	0.00	0.00
8	Mr B Praveen	5,000	0.01	0.00	5,000	0.01	0.00	0.00
9	Mr V Narasimha Reddy	5,000	0.01	0.00	5,000	0.01	0.00	0.00
	Total	1,15,65,081	19.60	18.89	1,15,65,081	19.60	18.89	0.00

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

SNo.		Share holding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
1	At the beginning of the year	1,15,65,081	19.60	1,15,65,081	19.60
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.):	-	-	-	-
3	At the End of the year	1,15,65,081	19.60	1,15,65,081	19.60

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

S No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	At the beginning of the year				
1	AlSried Company for trade Ltd	34,06,769	5.77	34,06,769	5.77
2	Advait B.V.	31,14,935	5.28	30,14,935	5.11
3	National Westminster Bank PLC as Trustee of the Jupiter	20,00,000	3.39	20,17,956	3.42
4	PKR Ocimum infra projects Private Ltd	20,00,000	3.39	20,00,000	3.39
5	Christian A Schmidt	12,76,102	2.16	12,76,102	2.16
6	Mohammad Salahuddin	12,12,625	2.06	12,12,625	2.06
7	APMS Investment Fund Ltd	8,90,618	1.51	8,90,618	1.51
8	Jupiter South Asia Investment Company Limited	7,84,507	1.33	7,75,507	1.31
9	Poondla Sunil Kumar Reddy	7,50,000	1.27	8,40,000	1.42
10	Reginald Pereira Kamath	6,19,701	1.05	6,19,701	1.05
11	Vijay Kumar Jain	6,10,000	1.03	6,10,000	1.03
12	Dharm Prakash Tripathi	7,06,239	1.20	8,31,969	1.41
	Total	1,73,71,496	29.44	1,74,96,182	29.64

(v) Shareholding of Directors and Key Managerial Personnel :

S. No	For Each of the Directors and KMP	Share holding 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
I	At the beginning of the year				
1	Mr N Satish Kumar	60,27,652	10.22	60,27,652	10.22
2	Mr K RadhaKrishna	25,34,657	4.30	25,34,657	4.30
3	Mr B Sreedhara Reddy	21,22,157	3.60	21,22,157	3.60
4	Mr BHR Balaji	7,11,657	1.21	7,11,657	1.21
5	Mr. Rama Devi Nanubala	10,458	0.02	10,458	0.02
6	Mr. Praveen Bommu	5,000	0.01	5,000	0.01
7	Ms. Sumithra Katikireddy	51,000	0.09	51,000	0.09
8	Ms. Kethu Subhashini	97,500	0.17	97,500	0.17
9	Mr Narasimha Reddy Vasantha	5,000	0.01	5,000	0.01
10	Ms T Rohini Reddy			0	0.00
11	Mr Ashiwini Kumar Tripathi			0	0.00
12	Mr Bachala Ashok	0	0.00	0	0.00
18	Mr G Viswanath	0	0.00	0	0.00
	Total	1,15,65,081	19.63	1,15,65,081	19.63
II	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	No equity shares allotted to Directors and Key Managerial Personnel during the year 2017-18			

S. No	For Each of the Directors and KMP	Share holding 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
III	At the End of the year				
1	Mr N Satish Kumar	60,27,652	10.22	60,27,652	10.22
2	Mr K RadhaKrishna	25,34,657	4.30	25,34,657	4.30
3	Mr B Sreedhara Reddy	21,22,157	3.60	21,22,157	3.60
4	Mr BHR Balaji	7,11,657	1.21	7,11,657	1.21
5	Mr. Rama Devi Nanubala	10,458	0.02	10,458	0.02
6	Mr. Praveen Bommu	5,000	0.01	5,000	0.01
7	Ms. Sumithra Katikireddy	51,000	0.09	51,000	0.09
8	Ms. Kethu Subhashini	97,500	0.17	97,500	0.17
9	Mr Narasimha Reddy Vasantha	5,000	0.01	5,000	0.01
10	Ms T Rohini Reddy			0	0.00
11	Mr Ashiwini Kumar Tripathi			0	0.00
12	Mr Bachala Ashok			0	0.00
13	Mr G Viswanath			0	0.00
	Total	1,15,65,081	19.63	1,15,65,081	19.63

V. INDEBTEDNESS:

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

(Rs in Lakhs)

Financial year 2017-18				
Particulars	Secured Loans	Un-Secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i). Principal Amount	16,095.88	455.15	-	16,551.03
ii). Interest due but not paid	3,958.56	-	-	3,958.56
iii). Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	20,054.44	455.15	-	20,509.59
Change in Indebtedness during the financial year				
Addition	6,211.69			6,211.69
Reduction	13,509.69			13,509.69
Net Change	19,721.38	-	-	19,721.38
Indebtedness at the end of the financial year				
i). Principal Amount	29,605.57	455.15		30,060.72
ii). Interest due but not paid	6,211.69			6,211.69
iii). Interest accrued but not due				-
Total (i+ii+iii)	35,817.26	455.15	-	36,272.41

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs in Lakhs)

S. No. Particulars	Name of MD/WTD/ Manager					Total Amount
	Mr N Satish Kumar Managing Director	Mr K Radha Krishna WTD	Mr B Sreedhara Reddy WTD	Mr BHR Balaji WTD	CS KMP *	
1. Gross salary					0.47	0.47
(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					-	-
2. Stock Option	-	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-	-
4. Commission						
- as % of profit	-	-	-	-	-	-
- others, specify						
5. Others, please specify	-	-	-	-	-	-
Total(A)					0.47	0.47

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

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

Place: Hyderabad
Date: 31.08.2018

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

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

ANNEXURE - IV

Form AOC-1

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

Part "A": Subsidiaries
(Amount in Rupees)

S N o	Name of the Subsidiary	Reporting period For the subsidiary concerned, if different From the holding company's reporting period	Reporting currency And Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Share capital	Reserves & surplus	Total assets	Total Liabilities	Turn over	P B T	Provision for taxation	Profit after taxation	Proposed Dividend	%of share holding
1	SBBF	31.03.2018	INR	34,32,000	-	49,50,244	15,18,244	-	-	-	-	-	99.97
2	Marvel Bio oil FZE	31.03.2018	Dirham	4,31,550	-	11,66,863	7,35,313	-	-	-	-	-	100

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

Place: Hyderabad
Date: 31.08.2018

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

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

ANNEXURE V

**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, 2018**

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

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2017 to 31st March, 2018, 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, 2018, according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - 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;
2. Compliance status in respect of the provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2017-18.
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
 - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the company has not issued any shares during the year under review.**
 - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the company has not delisted nor proposed to delist its equity shares during the year under review.**

-
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has “Aarthi Consultants Private Limited” as its share transfer agent.**
- vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company’s website i.e. <http://www.sol.net.in>**
- ix. Other applicable laws include the following:
- Factories Act, 1948
 - Payment Of Wages Act, 1936, and rules made there under,
 - The Minimum Wages Act, 1948, and rules made there under,
 - Employees’ State Insurance Act, 1948, and rules made there under,
 - The Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, and rules made there under,
 - The Payment of Bonus Act, 1965, and rules made there under,
 - Payment of Gratuity Act, 1972, and rules made there under,
 - Water (Prevention and control of Pollution) Act, 1974 and the rules made there under;
 - Air (Prevention and control of Pollution) Act, 1981 and the rules made there under;
 - Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
 - The Environment Protection Act, 1986
 - Industrial Disputes Act, 1947

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above including the following:

- a) During the year the Company has conducted 8 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meeting of Stakeholder Relationship Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

(i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:

- External Commercial Borrowings were not attracted to the Company under the financial year under report;
- Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;
- Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

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

OBSERVATIONS:

(a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, **we report that**

(i) the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(b) **We further report that:**

- i. The Company has a CFO namely Mr. K. Radhakrishna.
- ii. The Company has internal auditors namely M/s. Ravi & Co, Chartered Accountants, Hyderabad.
- iii. The website of the company contains several policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.
- iv. 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.
- v. Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- vi. As per the Minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- vii. 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.

- viii. During the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

We further report the following during the period under review the company:

- i. The Company does not have whole time Company Secretary.
- ii. The company has defaulted in repayment of Loans in principle and interests thereon to the respective Banks/Financial institutions and turned into NPA (Non-Performing Asset).
- iii. The loans of said Banks/Financial institutions have been assumed or arrived at on the basis of accounts furnished by the company as Rs. 295.98 Crores (Including Principle and Interest Provisions on the loans and excluding Penal Interest) and Interest Provision made during the year as Rs. 22.53 Crores has been considered, which is not paid by the company.
- iv. The lenders have referred the matter to National Company Law Tribunal (NCLT) for resolution of debt.
- v. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded.
- vi. The management of the company prepared financials on the basis of going concern assumption. However, the eroded Net worth, Non Repayment of Loans, Non Operational of the Bio-Diesel Division and Fixed Assets Coverage Ratio(FACR) which significantly affects the company's ability to continue as a going concern.
- vii. The Directors of the Company namely Mr. BHR Balaji, Mr. Ashiwini Kumar Tripathi and Mr. G Viswanath during the period of 12 months with or without seeking of leave of absence which leads to casual vacancy as per Section 167 of the Companies Act, 2013 and the requisite filing of form with office of ROC is not be done.

Place: Hyderabad
Date: 31.08.2018

Sd/-
Aakanksha Shukla,
Practicing Company Secretary,
M. No. – A49041
C. P. No: - 20064

Annexure A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. 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.
6. 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: 31.08.2018

Sd/-
Aakanksha Shukla,
Practicing Company Secretary,
M. No. – A49041
C. P. No: - 20064

ANNEXURE VI

The details of remuneration during the year 2017-18 as per Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2015 are as follows:

Rule 5 (1) Of The Companies (Appointment And Remuneration Of Managerial Personnel) Rules, 2014

Sl. No.	Particulars	Details
1.	The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.	NA
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	NA
3.	The percentage increase in the median remuneration of employees in the financial year	NA
4.	The number of employees on the rolls of the company	NA
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration	NA
6.	Affirmation that the remuneration is as per the remuneration policy of the company.	NA

Note: Directors were not drawing remuneration for the financial year 2017-2018, in view incurred losses of the account.

ANNEXURE VI

STATEMENT SHOWING THE NAMES OF TOP TEN EMPLOYEES PURSUANT TO SEC. 197 READ WITH RULE 5 (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S. No.	Particulars	Details	Details	Details	Details	Details
1.	Designation of the employee	B N Swamy	K V Butchi Babu	V Gamma	B Rajeev Kumar	B Chandra Shekhar
2.	Remuneration received	Rs. 51,000/- per month	Rs. 50,000/- per month	Rs. 45,000/- per month	Rs. 27,000/- per month	Rs. 21,000/- per month
3.	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
4.	Qualifications and experience of the employee	MS (IT)	BSC (Computer Science)	MA, MPhil	BSC	BSC
5.	Date of commencement of employment	1999	2000	2001	2006	2001
6.	The age of the employee	47 years	46 years	47 years	44 years	45 years
7.	The last employment held by such employee before joining the company	NA	NA	NA	NA	Advance Telecom Services
8.	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	NIL	NIL	NIL	NIL	NIL
9.	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No Relationship	No Relationship	No Relationship	No Relationship	No Relationship
S. No.	Particulars	Details	Details	Details	Details	Details
1.	Designation of the employee	Dhanraj D	K V B Reddy	G Ramchander	T V Narender	M Chanti A
2.	Remuneration received	Rs. 21,000/- per month	Rs. 18,000/- per month	Rs. 15,000/- per month	Rs. 12,500/- per month	Rs. 12,500/- per month
3.	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
4.	Qualifications and experience of the employee	Graduate	B.Tech (Computer Science)	Under Graduate	Under Graduate	Under Graduate
5.	Date of commencement of employment	2006	2000	1999	2000	2005
6.	The age of the employee	41 years	46 years	42 years	51 years	33 years
7.	The last employment held by such employee before joining the company	NA	NA	NA	NA	NA
8.	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	NIL	NIL	NIL	NIL	NIL
9.	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No Relationship	No Relationship	No Relationship	No Relationship	No Relationship

ANNEXURE - VII
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, 2018 is Rs 930.51 lakhs as compared to the previous year's total revenue of Rs 12,409.50 lakhs. During this financial year the Company has incurred a net loss of Rs 13,391.85 lakhs as against the previous year's net loss of Rs 7,538.42 lakhs. The net loss incurred is due to lack of working capital which resulted in to closure of operations in both plants.

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

Indian Government has introduced a new policy. The Gol policy is to ensure that a minimum level of biofuels become readily available in the market to meet the demand at any given time. An indicative target of 5% blending of bio diesel by 2030 is proposed.

The Government has made mandatory 5% usage of bio diesel across all Zonal Railways in India which has led to bag us plenty of orders from Zonal railways for the supply of the bio diesel.

Company plans to revive the present situation.

b) Internal Control Systems and their Adequacy:

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

c) Financial and Operational Performance:

The Highlights of Financial Operational Performance are given below:

(Rs. In Lakhs)

Particulars	2017-18	2016-17	2015-16
Total Income	930.51	12,409.50	22,164.50
Total Expenditure	14,033.84	19,898.28	22,906.41
Profit before Tax	-13,103.33	-7,488.77	-741.90
Provision for Tax	288.52	49.65	-240.71
Profit after Tax	-13,391.85	-7,538.42	-501.19
Transfer to General Reserve	-	-	-
Profit available for appropriation	-	-	-
Provision for Proposed Dividend	-	-	-
Provision for Corporate Tax	-	-	-
Balance Carried to Balance Sheet	-13,391.85	-7,538.42	-501.19

The net loss incurred is due to closure of both the units in absence of required working capital.

d) Human Resources Development and Industrial Relations:

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

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

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31st, 2018, the Board of Directors ("Board") comprises of eight Directors, of which three are Non-Executive Independent Directors and Four are Executive Directors and One Nominee Director. The composition and category of the Board of Directors is as follows:

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

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2018 has been set out here below:

S. No.	Name of Director	No. of Board Meetings		Attendance at last AGMon30.12.2017
		Held	Attended	
1	Mr. N Satish Kumar	8	7	Yes
2	Mr. K Radha Krishna	8	8	Yes
3	Mr. B Sreedhara Reddy	8	8	No
4	Ms.T Rohini Reddy	8	8	Yes
5	Mr. Bachala Ashok	8	8	Yes
6	Mr. BHR Balaji	8	0	No
7	Mr. Ashiwini Kumar Tripathi	8	0	No
8	Mr. G Viswanath	8	0	No

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

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

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

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

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Eight Board Meetings were held during the financial year ended 31.03.2018.

The dates on which the Board meetings were held are:

24.04.2017	22.05.2017	30.05.2017	26.08.2017	14.09.2017	20.11.2017	14.12.2017	14.02.2018
------------	------------	------------	------------	------------	------------	------------	------------

e) Disclosure of relationship between directors inter-se

None of the Directors are related to any other Director.

f) Shares held by Non-Executive Directors

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2018 are as follows:

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

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

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

BOARD COMMITTEES:

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

1. AUDIT COMMITTEE:

a) Brief description of terms of reference:

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

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

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and

6. Statement of deviations:

- a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
- b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

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

b) Composition, Name of members and Chairman:

As on March 31st, 2018, the Audit Committee comprises of three (3) Independent Directors. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

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

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

c) Meetings and attendance during the year:

- Four Audit Committee Meetings were held during the financial year ended March 31, 2018. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.
- The Audit Committee meetings were held on

30.05.2017	14.09.2017	14.12.2017	14.02.2018
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- Attendance at the Audit Committee Meeting:

S No	Name of the Director	Number of Meetings	
		Held	Attended
1	Ms. T Rohini Reddy	4	4
2	Mr. Ashiwini Kumar Tripathi	4	0
3	Mr. Bachala Ashok	4	4

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

2. NOMINATION & REMUNERATION COMMITTEE:

a) Brief description of terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

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

b) Composition, Name of members and Chairman:

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

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

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

c) Nomination and Remuneration Committee meetings

During the period from April 1st, 2017 to March 31st, 2018, No Nomination and Remuneration Committee Meetings were held.

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

d) Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.
 - The Non-executive directors are not paid sitting fees for attending meetings of Board/Committee.
- e) Performance Evaluation of Directors.** The criteria and the procedure for the process of Board evaluation is mentioned in the Directors' report.

3. INDEPENDENT DIRECTORS' MEETING:

During the year, meeting of Independent Directors was held on 30.03.2018 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Remuneration of Directors

a) Details of Remuneration of Non - Executive Directors:

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

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

Name of the Director	Salary	Total
Mr.N Satish Kumar	-	-
Mr. K Radha Krishna	-	-
Mr. B Sreedhara Reddy	-	-
* Ms. Ankita Damani	0.47	0.47
Total		0.47

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

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Brief description of terms of reference:

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

b) Composition:

S No	Name of the Director	Designation
1	Ms. T Rohini Reddy	Chairperson
2	Mr. N Satish Kumar	Member
3	Mr. K Radha Krishna	Member

c) Name and Designation of Compliance Officer:

Ms. Ankita Damani appointed as Company Secretary and acted as Compliance Officer of the Company during her tenure (From 24.04.2017 to 22.05.2017).

d) Number of Shareholders complaints received so far.

During the year ended March 31st, 2018, the Company has not received any complaints.

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

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

5. GENERAL BODY MEETINGS:

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

Year	Locations	Date	Time
19 th AGM (2016-17)	Dwaraka Conference Hall, Bandlaguda Cross Roads, Rajendranagar Mandal, Hyderabad - 500 080	30 th December, 2017	10.30 A.M
18 th AGM (2015-16)	Dwaraka Conference Hall, Bandlaguda Cross Roads, Rajendranagar Mandal, Hyderabad - 500 080	30 th September, 2016	10.30 A.M
17 th AGM (2014-15)	Mrugavani Resorts, # 177/1, Aziz Nagar, Moinabad, Hyderabad- 500 075	30 th September, 2015	10.30 A.M

6. MEANS OF COMMUNICATION:

(a) Financial / Quarterly Results:

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

(b) Newspapers wherein results normally published

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

(c) Any website, where displayed

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

(d) Whether it also displays official news releases

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

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

There are no presentations made to the investors / analysts.

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

7. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	Date : 29 th September, 2018
	Time : 10.00AM
	Venue: Dwaraka Conference Hall, Plot #73, Reliance Chambers, Bandlaguda, Cross Roads, Rajendranagar Mandal, Hyderabad-500080
Financial Calendar	1 st April to 31 st March.
Date of Book Closure	22.09.2018 to 29.09.2018 (both days inclusive)
Dividend Payment Date	Nil
Listing on Stock Exchanges	BSE Ltd
Scip/Stock Code	532669 on BSE
ISIN Number for NSDL&CDSL	INE371B01015

MARKET PRICE DATA:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr-17	6.05	4.94
May-17	7.24	5.13
Jun-17	5.12	4.08
Jul-17	4.03	3.86
Aug-17	3.91	2.89
Sep-17	3.18	2.81
Oct-17	4.05	2.84
Nov-17	4.15	3.31
Dec-17	3.86	3.28
Jan-18	3.41	5.85
Feb-18	4.15	2.90
Mar-18	3.37	2.22

REGISTRAR & TRANSFER AGENTS

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

M/s. Aarhi Consultants Private Limited

Share Transfer System

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

Shareholding Pattern as on 31st March, 2018:

S No	Category	No. of. Shares	%Share Holding
1	Promoters	1,15,65,081	19.60
2	Corporate Bodies	47,36,360	8.03
3	NRIs	15,97,748	2.71
4	OCBs	10,000	0.02
5	Individuals & Foreign Nationals	4,07,39,746	69.06
6	Clearing Members	3,44,353	0.58
	Total	5,89,93,288	100.00

Distribution of shareholding as on: 31.03.2018.

SL NO	CATEGORY	HOLDERS	HOLDERS PERCENTAGE	SHARES	AMOUNT	AMOUNT PERCENTAGE
1	1 - 5000	5,862	63.85	14,29,437	1,42,94,370	2.42
2	5001 - 10000	1,188	12.94	10,68,978	1,06,89,780	1.81
3	10001 - 20000	742	8.08	12,18,763	1,21,87,630	2.07
4	20001 - 30000	327	3.56	8,59,834	85,98,340	1.46
5	30001 - 40000	163	1.78	6,00,176	60,01,760	1.02
6	40001 - 50000	200	2.18	9,68,052	96,80,520	1.64
7	50001 - 100000	299	3.26	22,74,957	2,27,49,570	3.86
8	100001 & Above	400	4.36	5,05,73,091	50,57,30,910	85.73
	Total:	9,181	100	5,89,93,288	58,99,32,880	100

Dematerialization of Shares & Liquidity

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

92.71% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March 2018 and balance 7.29% is in physical form. The Company's Registrars are M/s Aarthi Consultants Pvt. Ltd., having their registered office at 1-2-285, Domalguda, Hyderabad - 500 029.

Plant Locations:

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

Address for Correspondence

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

8. OTHER DISCLOSURES

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

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

- b. **Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years ; None**

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

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

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

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

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

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

f. Web link where policy on dealing with related party transactions;

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

g. Disclosure of commodity price risks and commodity hedging activities:

Not applicable

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

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

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

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

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

12. Code of Conduct

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

13. CEO and CFO Certification

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N Satish Kumar, Managing Director, Mr. K Radha Krishna, Chief Financial Officer (CFO) have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31st, 2018 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

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

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are 9,181 Equity Shares of Rs 10/- each in the Demat suspense account of the Company.

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

During the year ended March 31st, 2018, there were no proceeds from public issues, rights issues, preferential issues, etc.,

16. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **The said policy is available on the website of the Company <http://www.sol.net.in>**
17. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.sol.net.in>.

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

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

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

19. Risk Management Committee:

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

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

Place: Hyderabad
Date: 31.08.2018

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

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

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

As provided under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the financial year ended March 31st, 2018.

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

Place: Hyderabad
Date: 31.08.2018

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

CEO AND CFO CERTIFICATION

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2018 and that these statements;
 - i. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of Business conduct and Ethics.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d) We have disclosed, wherever applicable to the Auditors and the Audit Committee:
 - i. That there were no deficiencies in the design or operations of Internal Controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;
 - ii. That there are no material weaknesses in the internal controls over financial reporting;
 - iii. That there are no significant changes in internal control over financial reporting during the year;
 - iv. All significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes of the financial statements; and
 - v. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

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

Place: Hyderabad
Date: 31.08.2018

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

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Southern Online Bio Technologies Limited

We have examined the compliance of conditions of corporate governance by Southern Online Bio Technologies Limited ("the company") for the year ended 31st March 2018, as stipulated in schedule V of Listing Regulations (with effect from 1st December, 2015).

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

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

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

Sd/-
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

Place: Hyderabad
Date: May 21st, 2018

M Naveen
Partner
M.No. 237316

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the accompanying consolidated Ind AS financial statements of M/s. **SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** ("the Holding Company"), its subsidiaries and its jointly controlled entities; together referred to as "the Group" comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income) and Consolidated Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements')

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the respective companies is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

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

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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view. In order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Basis for Qualified Opinion:

- Note No: 43 to the Financial Statements, the holding company has defaulted in repayment of Loans in principle and interests thereon to their respective Banks/Financial institutions and turned into NPA (Non Performing Asset). The said Banks/Financial institutions loans were been assumed on the basis of accounts furnished by the holding company as Rs. 295.98 Crores (Including Principle and Interest Provisions on the loans and excluding Penal Interest) and Interest Provision during the year as Rs. 22.53 Crores were been considered, which is not paid by the company.
- Note No: 48 to the financial statements, the lenders have referred the matter to National Company Law Tribunal (NCLT) for resolution of debt but the said petition has not been admitted as on date.
- Note No: 50 to the financial statements, the holding company incurred losses during previous year and current financial year. In the current quarter too, the company incurred loss of Rs. 10.86 Crores. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded.
- The management of the holding company prepared financials on the basis of going concern assumption. However, the eroded Network, Non Repayment of Loans, Non Operational of the Bio-Diesel Division and Fixed Assets Coverage Ratio (FACR) which significantly affects the company's ability to continue as a going concern.
- Note No: 47 to the financial statements, during the year the management of the holding company has decided to write off the Trade receivables an amount of Rs. 96.96 Crores which are more than 18 months older.
- During the year the management of the holding company has write-off an amount of Rs. 2.60 Crores of Trade payables.
- Holding Company is irregular in paying the statutory dues and respective following amounts towards TDS, VAT, CST and Others as follows: (Refer Clause (vii) of the Annexure to the Audit Report)

S.No	Description	Amount (Rs. Lakhs)
1	TDS	12.33
2	VAT	11.62
3	CST & Others	22.84

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated Ind AS 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 including the Ind AS, of the financial position of the company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Other Matter Paragraph

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of Rs. 61.17 lakhs as at March 31, 2018, and total revenues of NIL for the year ended on that date. These Ind AS financial statements of the

M/s. Southern Biofe Biofuels Private Limited were been audited by other auditors, regards to the Marvel Bio Fuel, FZE, Sharjah financial statements other financial information have not been audited by any other auditors, and these financial statements prepared by the management have been furnished to us by the management.

Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditor and management information. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable 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 Ind AS financial statements;
 - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as appears from our examination of those books;
 - c) The Consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other comprehensive income, and the consolidated Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
 - d) In our opinion, the aforesaid consolidated Ind AS 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 the Holding Company as on March 31, 2018, and taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in ‘ Annexure A’; and
 - g) With respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statement has disclosed the pending litigations which could have impact on its financial position.
 - ii. The holding company and the subsidiary companies incorporated in India did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and the subsidiary companies incorporated in India.

For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

Sd/-
M Naveen
Partner
M.No. 237316

Place: Hyderabad
Date: 21ST May 2018

Annexure A to the Independent Auditor's Report

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

In conjunction with our Audit of the consolidated Ind AS financial statements of the company as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED ('the Holding company') and its subsidiary companies which are incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

Sd/-
M Naveen
Partner
M.No. 237316

Place: Hyderabad
Date: 21ST May 2018

Consolidated BALANCE SHEET as at 31st, March 2018

Particulars	Note No	As at	As at	As at
		31.03.2018	31.03.2017	01.04.2016
		(Rupees)	(Rupees)	(Rupees)
I.ASSETS				
(1) Non-current assets				
(a) Fixed assets				
(i) Property, Plant and Equipment	1	1,18,14,18,170	1,29,19,99,367	1,37,50,85,834
(ii) Capital work-in-progress	1	60,01,108	60,01,108	56,66,165
(b) Financial assets: Investments		-		
(c) Deferred tax assets (net)	2	15,88,51,977	18,77,04,083	19,26,68,957
(d) Long term loans and advances	3	1,28,13,846	1,54,74,694	2,00,44,365
(e) Other non-current assets	4	34,35,425	50,01,142	7,84,23,673
(2) Current assets				
i) Financial assets:				
(a) Inventories	5	4,58,53,762	7,21,84,405	51,06,78,930
(b) Trade receivables	6	4,91,79,444	1,03,91,46,016	66,80,76,079
(c) Cash and cash equivalents	7	50,75,826	42,74,487	1,60,73,538
(d) Short-term loans and advances	8	22,81,51,256	23,48,48,645	35,75,80,529
(e) Other current assets	9	20,93,042	-	-
Total		1,69,28,73,857	2,85,66,33,946	3,22,42,98,070
II. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Equity Share Capital	10	58,99,32,880	58,99,32,880	58,99,32,880
(b) Other Equity	11	(2,65,76,79,935)	(1,31,84,94,573)	(56,46,52,450)
(c) Non-Controlling Interest		1,030	1,030	1,030
(2) Share application money pending for allotment	12	30	30	30
(3) Non-Current Liabilities				
(a) Long-term borrowings	13	1,65,42,70,592	1,65,51,03,187	1,76,51,53,265
(b) Deferred tax liabilities (Net)		-		
(b) Other Long term liabilities	14	6,13,14,262	8,25,71,799	7,07,25,630
(d) Long term provisions		-		
(4) Current Liabilities				
(a) Short-term borrowings	15	1,74,89,26,814	1,74,34,70,952	66,94,28,079
(b) Trade payables	16	5,40,90,594	8,53,97,588	67,30,08,734
(c) Other current liabilities		-	-	-
(c) Short-term provisions	17	24,20,17,590	1,86,51,053	2,07,00,872
Total		1,69,28,73,857	2,85,66,33,946	3,22,42,98,070
Summary of Significant Accounting Policies the accompanying Notes are an Integral Part of the Financial Statements	26			

As Per Our Report of Even Date
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

For And On Behalf of the Board

Sd/-
M. NAVEEN
Partner
Membership No: 237316
Place: Hyderabad
Date: May 21st, 2018

For Southern Online Biotechnologies Limited

Sd/-
N. SATISH KUMAR
Managing Director

Sd/-
K. RADHA KRISHNA
Whole Time Director & CFO

Consolidated Statement of Profit & Loss for the year ended 31st, March 2018

Particulars	Note No	For the year ended	For the year ended
		31.03.2018	31.03.2017
		(Rupees)	(Rupees)
I. Net Sales / Income from Operations (Net of Excise Duty)	18	6,40,38,188	1,23,65,46,967
II. Other Operative Income	19	2,90,13,054	44,03,407
III. Total Income From Operations Revenue (I+II)		9,30,51,242	1,24,09,50,374
IV. Expenses:			
Cost of materials consumed	20	92,97,502	39,84,50,170
Purchase of Stock-in-Trade	20	-	52,16,32,212
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	21	1,67,56,423	25,72,94,846
Employee benefit expense	22	79,40,857	2,39,51,813
Other operating expenses	23	1,02,99,94,598	30,86,07,306
Administrative Expenses	24	75,08,641	3,83,71,470
Financial costs	25	23,07,64,338	33,55,74,892
Depreciation and amortization expense	1	10,11,22,140	10,59,44,915
Total Expenses		1,40,33,84,498	1,98,98,27,624
V. Profit / (Loss) before tax (III - IV)		(1,33,03,33,257)	(74,88,77,250)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		2,88,52,106	49,64,874
Net Profit (+) / Loss (-) from ordinary activities after tax (V-VI)		(1,33,91,85,362)	(75,38,42,124)
VII. Extraordinary items (net of tax expenses)			
a) Loss due to Cyclone Hud Hud.			
b) Insurance claim for Cyclone Loss.			
Net Profit (+) / Loss (-) for the period (VI-VII)		(1,33,91,85,362)	(75,38,42,124)
VIII. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (VII+VIII)		(1,33,91,85,362)	(75,38,42,124)
IX. Earnings Per Equity Share - (for Continuing operation)			
Basic (Rs.)		(22.70)	(12.78)
Diluted (Rs.)		(22.70)	(12.78)
X. Earnings Per Equity Share - (for Discontinued operation)			
Basic (Rs.)			
Diluted (Rs.)			
XI. Earnings Per Equity Share - (for Continuing & Discontinued operation)			
Basic (Rs.)		(22.70)	(12.78)
Diluted (Rs.)		(22.70)	(12.78)

As Per Our Report of Even Date
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

For And On Behalf of the Board

For Southern Online Biotechnologies Limited

Sd/-
M. NAVEEN
Partner
Membership No: 237316
Place: Hyderabad
Date: May 21st, 2018

Sd/-
N. SATISH KUMAR
Managing Director

Sd/-
K. RADHA KRISHNA
Whole Time Director & CFO

Consolidated Cash Flow Statement for the year ended 31st, March 2018

PARTICULARS	Year Ended 31.03.2018 (Rs)	Year Ended 31.03.2017 (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(1,31,03,33,257)	(74,88,77,250)
Adjustments for:		
Depreciation	10,11,22,140	10,59,44,915
Written off Expense	-	-
Interest	23,07,64,338	33,55,74,892
Operating Profit before working capital charges	(97,84,46,779)	(30,73,57,443)
Increase in Loans and Advances	88,30,911	20,07,24,087
Trade and other receivables	98,99,66,572	(37,10,69,937)
Inventories	2,63,30,643	43,84,94,525
Trade payables	19,20,59,543	(58,96,60,965)
Cash generated from operations	23,87,40,890	(62,88,69,733)
Interest paid	23,07,64,338	33,55,74,892
Cash flow before extraordinary items - (A)	79,76,552	(96,44,44,626)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.		3,34,943
Interest and exp capitalization	-	-
Purchase of Fixed Assets	(94,59,057)	2,28,58,449
Investments made in subsidiaries		
Net cash used in investing activities - (B)	(94,59,057)	2,31,93,392
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Creditors for capital goods		
Increase / decrease in Secured Loans	46,23,267	96,39,92,798
Increase / decrease in Long Term liabilities	(2,12,57,537)	1,18,46,169
Net Cash used in Financing activities - (C)	(1,66,34,270)	97,58,38,967
Net increase in cash and cash equivalents - (A-B+C)	8,01,339	(1,17,99,051)
Cash and Cash equivalents as at (Opening Balance)	42,74,487	1,60,73,538
Cash and Cash equivalents as at (Closing Balance)	50,75,826	42,74,487

As Per Our Report of Even Date
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

For And On Behalf of the Board

Sd/-
M. NAVEEN
Partner
Membership No: 237316
Place: Hyderabad
Date: May 21st, 2018

For Southern Online Biotechnologies Limited

Sd/-
N. SATISH KUMAR
Managing Director

Sd/-
K. RADHA KRISHNA
Whole Time Director & CFO

NOTE NO: 1 FIXED ASSETS AS ON 31st March, 2018 – Consolidated

S L N o	Particulars	Gross Block						Rate of Depreciation	Depreciation/Amortization					Net Block as on 31.03.2017
		As on 01.04.2017	Additions during the year	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2018			Dep. For the year 2017-2018	Impairment Loss / Reversal of Impairment Loss for the Year	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation	Net Block as on 31.03.2018	
1	LAND	5,46,49,032	-	-	-	5,46,49,032	0.00%	-	-	-	-	-	5,46,49,032	
2	BUILDING @60 Years	58,47,273	-	-	-	58,47,273	1.58%	92,387	-	-	-	10,82,549	47,64,724	
3	BUILDING @30 Years	15,20,22,155	-	-	-	15,20,22,155	3.17%	48,19,102	-	-	-	3,21,79,042	11,98,43,113	
4	PLANT & MACHINERY	1,48,41,93,798	-	-	-	1,48,41,93,798	6.33%	9,39,49,467	-	-	-	48,61,38,112	99,80,55,686	
5	OFFICE EQUIPMENT	48,35,642	65,000	-	-	49,00,642	19.00%	5,19,164	-	-	-	44,62,712	4,37,930	
6	COMPUTERS	9,19,49,368	12,075	-	-	9,19,61,443	31.67%	27,17,287	-	-	-	9,19,52,400	9,043	
7	FURNITURE	77,36,147	-	-	7,10,192	70,25,955	9.50%	7,34,934	2,02,774	-	-	51,06,006	19,19,949	
8	VEHICLES	1,67,41,783	-	-	1,07,67,108	59,74,675	11.88%	(17,10,201)	17,38,394	-	-	42,35,982	17,38,693	
	Total	1,81,79,75,198	77,075	-	1,14,77,300	1,80,65,74,973		10,11,22,140	19,41,168	-	-	62,51,56,803	1,18,14,18,170	
	CWIP	60,01,108	-	-	-	60,01,108		-	-	-	-	-	60,01,108	
	Grand Total	1,82,39,76,306	77,075	-	1,14,77,300	1,81,25,76,081	-	10,11,22,140	19,41,168	-	-	62,51,56,803	1,18,74,19,278	
													1,29,80,00,475	

NOTE NO. 2 : DEFERRED TAX ASSET / (LIABILITY)

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Opening Deferred tax Asset / (Liability)	18,77,04,083	19,26,68,957	16,85,97,988
	Add:		-	-
	Reversal of Deferred Tax asset/(Liability)			
	DTA During the year	(2,88,52,106)	(49,64,874)	2,40,70,969
	Gross Deferred tax Liability	15,88,51,977	18,77,04,083	19,26,68,957
	Opening Deferred tax Asset	-	-	-
	Provision for Gratuity and Compensated Absences and doubtful debt	-	-	-
	Gross Deferred tax Asset	-	-	-
	Deferred Tax Asset / (Liability)	15,88,51,977	18,77,04,083	19,26,68,957

NOTE NO. 3 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Long - term loans and advances:			
	a) Security Deposit			
	Secured	1,28,13,846	1,54,74,694	2,00,44,365
	Total Long Term Loans & Advances	1,28,13,846	1,54,74,694	2,00,44,365

NOTE NO. 4 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Long term Trade receivable (Including trade receivables on deferred credit basis)			
	Unsecured considered good	34,35,425	50,01,142	7,84,23,673
	Total non - current assets	34,35,425	50,01,142	7,84,23,673

NOTE NO. 5 : INVENTORIES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Inventories :			
	a) Raw materials			
	Palm Stearin	-	8,15,163	12,64,171
	Mutton Tallow	-	-	-
	Rice Bran Oil	-	-	1,82,72,163
	Used Cooking Oil	34,501	11,92,209	62,36,812
	Seeds	1,57,363	1,57,363	1,57,363
	Fatty Acid Oil	-	-	8,99,808
	RBD Palm Oil	-	-	13,68,08,172
	Refined Palm Oil	-	-	1,48,10,025
	Chemicals & Consumables	37,69,555	1,01,82,736	1,31,31,749
	Sub Total	39,61,419	1,23,47,471	19,15,80,263
	b) Finished goods			
	Bio Diesel.	23,68,600	22,09,158	22,48,55,030
	Glycerine.	17,52,315	1,27,35,555	5,58,09,780
	Rice Bran Oil	-	-	1,67,82,975
	Sludge and Fatty Acid.	47,64,621	1,06,97,246	68,99,928
	Other Stock	2,14,10,908	2,14,10,908	-
	Sub Total	3,02,96,445	4,70,52,867	30,43,47,713
	c) Stores and spares	1,15,95,898	1,27,84,067	1,47,50,954
	f) Loose tools	-	-	-
	Total Inventories	4,58,53,762	7,21,84,405	51,06,78,930

NOTE NO. 6 : TRADE RECEIVABLES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
1	Unsecured, Considered Good for more than Six Months)	4,91,79,444	83,79,48,454	29,81,99,530
2	Other debts	-	20,11,97,561	36,98,76,549
	Total Trade Receivables(net)	4,91,79,444	1,03,91,46,016	66,80,76,079

NOTE NO. 7 : CASH AND BANK BALANCES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Cash and cash equivalents :			
	a) Balances with banks :			
	- On Current Accounts	42,67,911	38,13,101	1,48,00,010
	b) Cash on hand	6,91,916	4,61,386	12,73,529
	Total Cash and Cash Equivalents	49,59,827	42,74,487	1,60,73,539

NOTE NO. 8 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Short - Term Loans and Advances:			
	a) Security Deposit			
	LC Margin & Other Deposit	1,66,70,268	1,66,75,468	5,27,88,102
	Unsecured	-		
	Doubtful	-		
	b) Loans and advances to related parties			
	Secured	-		
	Unsecured	-		
	INTER DIVISION	(0)	3	-
	b) Other loans And advances			
	Secured - Raw Material etc..	-	-	8,92,59,224
	Secured - Other Advances	2,58,58,095	3,25,50,281	2,99,10,311
	Insurance claim	18,56,22,893	18,56,22,893	18,56,22,893
	Total short term loans & advances	22,81,51,256	23,48,48,645	35,75,80,530

NOTE NO. 9 : OTHER CURRENT ASSETS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Unamortised Premium on forward contracts	-	-	-
	VAT Input / TDS Receivable/ GST Input	20,93,042	-	-
	Sub Total	20,93,042	-	-

NOTE NO. 10 : EQUITY SHARECAPITAL

S. No.	Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
		No. of Shares	(Rupees)	No. of shares	(Rupees)	No. of shares	(Rupees)
a	Equity Share Capital (For each class of capital)						
	(a) Authorised	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(c) Subscribed & Fully Paid Up	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(d) Subscribed & not fully paid up						
	(e) Par value per share Rs. 10						
	Total Equity Share capital		58,99,32,880		58,99,32,880		58,99,32,880
b	Preference shares at the beginning as per class of shares	-	-	-	-	-	-
	Add : Issued/Repaid During the year		-		-		-
	Less : Repaid During the year		-		-		-
	Preference shares at the end of the Year		-		-		-
	Total Equity Share capital		58,99,32,880		58,99,32,880		58,99,32,880

b	calls unpaid :		-			
	Equity Shares					
	By Directors		-		-	-
	By Officers		-		-	-
b	Forfeited shares (amount originally paid up)		-		-	-
c	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:					
			Number of Shares		Number of Shares	Number of Shares
	Equity Shares of Rs.10Each, Fully paid up :					
	At the Beginning		5,89,93,288		5,89,93,288	5,89,93,288
	Issued during the year - Bonus Issue		-		-	-
	Issued during the year - Cash Issue		-		-	-
	Issued during the year - ESOP		-		-	-
	Issued during the year - Pref Issue		-		-	-
	Forfeited / Bought Back during the year		-		-	-
	At the end		5,89,93,288		5,89,93,288	5,89,93,288
	At the Beginning		NIL		NIL	NIL
	Issued during the year - Bonus Issue		NIL		NIL	NIL
	Issued during the year - Cash Issue		NIL		NIL	NIL
	Issued during the year - ESOP		NIL		NIL	NIL
	Forfeited / Bought Back during the year		NIL		NIL	NIL
	At the end		NIL		NIL	NIL
d	Details of Shareholder holding more than 5% shares of the company:					% of Share Holding
	Equity Shares of Rs. 10 each Held By					
	(a) Share Holder - N. Satish Kumar - No. of Shares (C.Y) 60,27,652, No. of Shares (P.Y) 60,27,652		10.22		10.22	10.22
	(b) 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		5.77	5.77
	(c) Share Holder - Advait BV - No. of Shares (C.Y) 31,14,935, No. of Shares (P.Y) 43,23,267.		5.28		5.28	7.33

NOTE NO. 11 : OTHER EQUITY

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	OTHER EQUITY			
	a) Securities Premium Reserve			
	As at the commencement of the year	25,31,87,500	25,31,87,500	25,31,87,500
	Add: Additions during the year	-	-	-
	Less: Utilised during the year	-	-	-
		25,31,87,500	25,31,87,500	25,31,87,500
	b) Surplus :			
	i) Opening Balance - Profit and Loss Account	(1,60,83,42,850)	(85,45,00,726)	(80,43,81,622)
	Add: Transfer from Profit & Loss Account	(1,33,91,85,362)	(75,38,42,124)	(5,01,19,104)
	Less: Transfer To General Reserve	-	-	-
	Less: Adjustment to fixed assets pursuant to enactment of Schedule II of the companies Act 2013.	-	-	-
	Less: Bonus shares	-	-	-
	Less: Transfer to/from reserves.	-	-	-
		(2,94,75,28,212)	(1,60,83,42,850)	(85,45,00,726)
	c) Share warrants forfeited premium :			
	As at the commencement of the year	3,31,63,000	3,31,63,000	3,31,63,000
	Add: Additions during the year	-	-	-
	Less: Utilised during the year	-	-	-
		3,31,63,000	3,31,63,000	3,31,63,000
II	A Reserve specifically represented by earmarked investments	-	-	-
III	Negative balance of reserves and surplus account	-	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777	34,97,777
	Total Other Equity	(2,65,76,79,935)	(1,31,84,94,573)	(56,46,52,449)

NOTE NO. 12 : SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Share Application Money	30	30	30
	Add : Received	-	-	-
	TOTAL SHARE APPLICATION MONEY	30	30	30
	Less : Share application money equity shares allotted	-	-	-
	Total	30	30	30

NOTE NO. 13 : LONG TERM BORROWINGS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Long Term borrowings			
	a) Secured Term Loans from Banks:			
	From banks:			
	Secured			
	Bank of India, Banjara Hills, - Loan for Flats	9,66,706	9,66,706	25,82,833
	IIFL- TATA ACE Vehicle Loan.	-	1,41,824	3,72,480
	ICICI Bank - Vehicle Loan.	-	3,11,336	5,53,498
	TERM LOANS : (BOI,SBH,UCO & PNB)	1,60,65,19,276	1,60,81,68,211	1,71,61,29,344
	(* Hypothecation of Plant & Machinery and Immovable Properties, refer Note No.44 for securities provided)			
	b) Unsecured Loans from Directors / Others:			
	Unsecured Loan	4,67,84,610	4,55,15,110	4,55,15,110
	Total long term borrowings	1,65,42,70,592	1,65,51,03,187	1,76,51,53,265

NOTE NO. 14 : OTHER LONG TERM LIABILITIES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	a) Other long term liabilities			
	- Other Liabilities	5,81,50,000	5,81,50,000	5,80,00,000
	- Capex payable	31,64,262	2,44,21,799	1,27,25,630
	Total other long term liabilities	6,13,14,262	8,25,71,799	7,07,25,630

NOTE NO. 15 : SHORT TERM BORROWINGS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Short term borrowings			
	a) Loans repayable on demand - WC			
	Bank of India	65,78,00,581	65,75,18,669	14,16,26,583
	State Bank of Hyderabad	49,06,61,018	48,54,87,068	4,15,78,855
	UCO Bank	14,42,40,777	14,42,40,777	104
	Punjab National Bank	6,03,68,678	6,03,68,678	53,29,624
	(* Hypothecation of stocks and Book debts, refer Note No.44 for securities provided)			
	b) on a/c of Letter of Credit :			
	Bank of India	-	-	38,36,56,953
	State Bank of Hyderabad	-	-	9,72,35,960
	UCO Bank	-	-	-
	Punjab National Bank	-	-	-
	c) Interest Accruals	39,58,55,760	39,58,55,760	-
	Total short term borrowings	1,74,89,26,814	1,74,34,70,952	66,94,28,079

NOTE NO. 16 : TRADE PAYABLES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	a) Trade Payables	5,40,90,594	8,53,97,588	67,30,08,734
	Total Trade Payables	5,40,90,594	8,53,97,588	67,30,08,734

NOTE NO. 17 : SHORT TERM PROVISIONS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	a) Provisions for employee benefits			
	PF Payable	17,09,481	20,89,429	3,61,564
	ESI Payable	74,458	-	-
	Salaries Payable	39,81,803	44,06,504	41,38,340
	b) Others			
	Statutory Liabilities	64,56,583	52,95,633	94,25,417
	Provision for Expenses	22,97,95,265	67,94,402	67,75,553
	Total short term provisions	24,20,17,590	1,85,85,986	2,07,00,874

NOTE NO. 18 : REVENUE FROM OPERATIONS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
(i)	Revenue from operations		
	(a) Sale of Products	2,26,80,565	1,21,30,37,834
	(b) Sale of Products (Exports)	-	-
	(c) Sale of Products (Exports Out to Out India)	-	-
	(d) Sale of Services	4,13,57,623	5,43,89,894
	(e) Other Operating Revenues (IROAF Chennai)	-	14,00,000
	Less: Excise & Customs Duties	-	3,22,80,761
	Total Revenue from Operations	6,40,38,188	1,23,65,46,967

NOTE NO. 19 : OTHER INCOME

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Other non-operating income (net of expenses directly attributed to such income)	2,90,13,054	44,03,407
II	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	-
	Total Other Income	2,90,13,054	44,03,407

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

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	a) Material		
	Palm Stearin	8,15,163	12,66,36,203
	Mutton Tallow	-	-
	Rice Bran Oil	-	5,98,79,413
	Used Cooking Oil	84,82,339	4,42,68,769
	Fatty Acid Oil	-	66,83,996
	RBD Palm Oil	-	13,68,08,172
	Refined Palm Oil	-	1,92,64,395
	Cost of Material Consumed - Sub Total (A)	92,97,502	39,35,40,947
	b) Purchases - Stock in Trade	-	52,16,32,212
	Cost of Purchase Stock In Trade - Sub Total (B)	-	52,16,32,212
	c) Chemicals & Consumables	-	-
	Cost of Chemicals & Consumables - Sub Total (C)	-	-
	IROAF Contract Expenses	-	49,09,223
	IROAF Contract Expenses - Sub Total (D)	-	49,09,223
	Total Cost Of Material Consumed (A+B+C+D)	92,97,502	92,00,82,382

NOTE NO. 21 : CHANGE IN INVENTORIES & WIP

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	Finished Goods		
	Finished goods at the beginning of the year	4,70,52,868	30,43,47,713
	Less : Finished goods at the end of the year	3,02,96,445	4,70,52,867
	Sub Total (A)	1,67,56,423	25,72,94,846
	Work in Progress		
	Work in progress at the beginning of the year	-	-
	Less: Work in progress at the ending of the year	-	-
	Less : Loss due to Cyclone Hud Hud	-	-
	Sub Total (B)	-	-
II	Stock-in-Trade		
	Finished goods at the beginning of the year	-	-
	Less : Finished goods at the end of the year	-	-
	Sub Total (C)	-	-
	(Increase) / Decrease in Inventories (A+B+C)	1,67,56,423	25,72,94,846

NOTE NO. 22 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Salaries & Wages	64,24,511	1,44,89,178
	(b) Contribution to Provident & Other Funds	4,83,416	46,45,501
	(c) Staff Welfare Expenses	10,32,930	48,17,134
	Total Employee Benefit Expenses	79,40,857	2,39,51,813

NOTE NO. 23 : OTHER OPERATING EXPENSES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Consumption of Stores & Spares	74,61,382	3,07,32,776
	(b) Power & Fuel	28,52,151	4,30,31,824
	(c) Rent	4,35,409	-
	(d) Repairs to Machinery	12,84,473	87,56,154
	(e) Insurance	1,94,362	34,57,559
	(f) Rates & Taxes (Excluding Income Tax)	9,40,440	3,56,66,524
	(g) Bandwidth	2,84,22,901	3,66,90,108
	(h) Other Mfg Expenses	2,54,467	74,99,315
	(i) Factory Wages	1,07,82,959	2,79,54,255
	(j) Shipping Charges	3,12,890	89,86,128
	(k) Freight charges (Inward)	-	1,57,58,588
	(l) Freight Charges - Outward & Insurance	3,20,612	8,96,44,745
	(m) Other Non Operative Expenses	96,96,60,543	
	(n) Loss on Sale of Assets	22,88,306	
	(o) Other Expenses (Provision for Debtors)	47,83,703	4,29,328
	Total Other Expenses	1,02,99,94,598	30,86,07,306

NOTE NO. 24 : ADMINSTRATIVE EXPENSES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Telephone, Postage and Others	2,70,944	12,14,544
	(b) Business Promotion Expenses	4,96,815	44,82,647
	(c) Travelling & Conveyance	7,45,699	1,01,00,849
	(d) Repairs and Maintenance	2,22,635	48,69,085
	(e) Printing & Stationery Expenses	1,16,236	4,21,956
	(f) Security Charges	4,14,320	8,68,473
	(g) Rent ,Rates & Taxes (excluding Income Tax)	-	20,29,575
	(h) Managerial Remuneration	-	55,20,000
	(i) Consultancy Charges	37,27,775	52,32,722
	(j) Gen Expenses	3,95,582	20,77,617
	(k) Director Sitting Fee / Board Meeting Expenses	11,869	10,96,351
	(l) Payment to Auditors:		
	(i) As Auditor	75,000	75,000
	(ii) For Taxation Matters	50,000	50,000
	(iii) For Company Law Matters	25,000	25,000
	(m) Advertisements	12,000	46,404
	(n) Collection Expenses	-	-
	(o) Commission & Discounts	1,34,300	2,61,247
	(p) Accidental / Medical Charges	8,10,465	-
	Total Administrative Expenses	75,08,641	3,83,71,470

NOTE NO. 25 : FINANCE COST

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Interest Expenses :		
	- Interest on Cash Credit	-	14,55,72,686
	- Interest on Car Loan / Term Loan	-	16,55,52,485
	- Interest on LC & BG Discounts	-	-
	- LC & BG Opening Charges, Bank Charges & others	23,07,64,338	1,98,24,411
	- CDR - Facilitation Charges	-	-
	(b) Other Borrowing costs	-	-
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	46,25,311
	Total Finance Cost	23,07,64,338	33,55,74,892

26. Summary of Significant Accounting Policies and Notes to the Accounts for the year ended 31st, March 2018.
A. Corporate Information

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

The Company is one of the first private sector ISPs to commence operations in the state of Andhra Pradesh. However, considering the opportunities in the field of manufacture and supply of alternative fuels to petroleum- based fuels, the promoters have decided to diversify into production and supply of biodiesel. The Company has established 40,000 liters per day capacity Biodiesel production unit from non-edible vegetables oils, fatty acids, animal fats / mutton tallow, 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.

B. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

C. Basis of Consolidation:

The Consolidated Financial statements include the financial statements of M/s. Southern Online Bio Technologies Limited ("SBTL" or the "parent company"), Southern Biofuels Private Limited, India (referred as "the Company") and Marvel Bio Oil FZE Sharjah, UAE (referred as "the Company"), in which the parent company has more than one-half of the voting power of an enterprise.

The consolidated financial statements have been prepared on the following basis:

(i).The financial statements of the parent company and the subsidiaries have been combined 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/transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

(ii).The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.

(iii).The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstance.

I. Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment

Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

II. Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

III. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

IV. 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.

V. Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into statement of Profit & Loss Account. Gains are not recognized in excess of any cumulative impairment losses.

VI. Share Capital

Equity shares are classified as equity.

VII. Employee Benefits

Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work in Progress / Intangible asset under development.

VIII. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

IX. Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims / Counter Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable

X. Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects GST, service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

Revenue is recognized as the interest accrues, using the effective interest method. This is the method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

XI. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

XIX. Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares. Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:
- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

XX. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

27. Share Capital

The Equity Share Capital of the company as on 31st March, 2018 is 5,89,93,288 Equity Shares of Rs. 10/- each fully paid up.

During the year:

During the year 2017-18 the Company has not allotted Equity shares.

28. Secured Loans

The Company's Bio Diesel Divisions has working Capital facilities (inclusive of short term borrowings & LC devolvement's) to the tune of Rs. 17,489.27 Lacs which is secured against stocks and book debts.

29. Investments

No other investments were made by the company.

30. Segment Reporting

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

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

The Bio Diesel division manufactures the Bio Diesel.

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

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

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

c) The income and expenditure relating to local Stock in Trade of Rice Bran Oil & RBD Palm Oil.

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

Business Segments:

(Rs. In Lacs)

Statement of Profit and loss for the year ended 31.03.2018	ISP		BIO DIESEL		OTHERS		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Sales / Revenue from Operations (Net of GST)	413.58	543.90	226.81	9639.07	0.00	2182.50	640.38	12365.47
Identifiable Operating Expenses	921.45	393.59	6764.86	10935.22	2874.18	3526.74	10560.49	14855.56
Allocated Expenses	122.79	154.82	1034.81	1446.49	8.12	85.66	1165.72	1686.98
Segmental Operating Income	-630.66	-4.52	-7572.87	-2742.65	-2882.30	-1429.90	-11085.82	-4177.07
Unallocated Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year before Interest	-630.66	-4.52	-7572.87	-2742.65	-2882.30	-1429.90	-11085.82	-4177.07
Finance Cost	2.00	2.97	2305.43	3341.97	0.22	10.80	2307.64	3355.74
Other income	4.70	14.68	24.90	29.36	260.53	0.00	290.13	44.04
Net profit before taxes and prior period items	-627.96	7.19	-9853.39	-6055.26	-2621.98	-1440.70	-13103.33	-7488.77
Provision for taxation	0.00	0.00	288.52	49.65	0.00	0.00	288.52	49.65
Prior Period Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit after taxes and before exceptional items	-627.96	7.19	-10141.92	-6104.91	-2621.98	-1440.70	-13391.85	-7538.42
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit after tax and exceptional items	-627.96	7.19	-10141.92	-6104.91	-2621.98	-1440.70	-13391.85	-7538.42

Geographical segments

(Rs. In Lacs)

Revenues	As at 31.3.2018	As at 31.3.2017	As at 31.3.2016
India	640.38	12,295.84	19,133.68
Outside India	0	69.63	2,981.28
Total	640.38	12,365.47	22,114.96

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.288.52 lakhs and differential depreciation of the current financial year 2017-18. 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 DTL can be realized.

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

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
	(Rupees)	(Rupees)	(Rupees)
Opening Deferred tax Asset / (Liability)	18,77,04,083	19,26,68,957	16,85,97,988
Add:		-	-
Reversal of Deferred Tax asset/(Liability)			
DTA During the year	(2,88,52,106)	(49,64,874)	2,40,70,969
Gross Deferred tax Liability	15,88,51,977	18,77,04,083	19,26,68,957
Opening Deferred tax Asset	-	-	-
Provision for Gratuity and Compensated Absences and doubtful	-	-	-
Gross Deferred tax Asset	-	-	-
Deferred Tax Asset / (Liability)	15,88,51,977	18,77,04,083	19,26,68,957

32. Foreign Exchange Earnings

(Rupees)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
Export of Goods	-	69,63,304	29,81,27,727

33. Foreign Exchange Outflow

(Rupees)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
For Purchases	-	6,63,90,894	33,37,67,239
For Investment in Subsidiary	-	-	4,31,550
For Subsidiary maintenance	-	-	7,35,313

34. Director's Remuneration

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

(Rupees.)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
Salary & Allowances (Whole Time Director)	-	55,20,000	55,20,000

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

35. Remuneration to Auditors

(Rupees.)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
Audit Fees	1,50,000/-	1,50,000/-	1,50,000/-

36. Details of Quantitative Information

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

Quantitative Information	2017-18		2016-17	
	Qty(Kg's/ Ltr's)	Value (Rs)	Qty(Kg's/ Ltr's)	Value (Rs)
Licensed Capacity	NA		NA	
Installed Capacity	280 TPD		280 TPD	
Finished Goods				
Bio Diesel in KG's (Inc: Residue)				
Opening Stock	45,235	22,09,158	41,55,525	22,48,55,030
Production during the Year			47,51,160	23,55,98,348
Purchased during the Year	4,189	11,102	5,50,400	2,56,31,311
Stock Transfer			-	-
Closing Stock	1,39,394	41,05,038	45,235	22,09,158
Glycerine				
Opening Stock	8,49,037	1,27,35,555	11,44,478	5,58,09,780
Production during the Year			4,40,209	1,17,60,397
Stock Transfer In & (Out)			-	-
Sales during the year	8,49,037	1,27,35,555	7,35,650	1,37,32,732
Consumed	8,49,037	1,27,35,555	-	-
Closing Stock of Glycerine	1,16,821	17,52,315	8,49,037	1,27,35,555
Rice Bran Oil Processed				
Opening Stock	-	-	3,05,145	1,67,82,975
Production during the Year			7,050	3,80,418
Stock Transfer In & (Out)				
Sales during the year	-	-	3,12,195	1,56,09,750
Sludge & Fatty			-	-
Closing Stock			-	-
Sludge & Fatty Acid Oil				
Opening Stock	2,01,953	29,18,437	1,86,036	42,14,301
Production during the Year			5,59,684	81,42,110
Stock Transfer In & (Out)				
Sales during the year	1,47,240	20,98,371	5,43,767	27,15,186
Closing Stock	54,713	8,20,066	2,01,953	29,18,437

Processed UCO				
Opening Stock	1,71,230	78,61,373	22,929	11,80,527
Production during the Year			15,21,451	6,97,23,800
Sales during the year	1,23,295	56,64,865	13,73,150	5,69,10,102
Consumed				
Closing Stock	47,935	21,96,508	1,71,230	78,61,373
Esterified Oil				
Opening Stock	-	-	30,102	15,05,100
Production during the Year			22,666	6,40,315
Sales during the year	-	-	52,768	21,45,547
Closing Stock			-	-
RAW MATERIAL CONSUMED				
Seeds				
Opening Stock	14,791	1,57,363	14,791	1,57,363
Purchased during the Year			-	-
Consumed during the year	-	-0	-	-
Closing Stock	14,791	1,57,363	14,791	1,57,363
Mutton Tallow				
Opening Stock	-	-	-	-
Purchased during the Year			-	-
Consumed during the year			-	-
Closing Stock of Mutton Tallow			-	-
Palm Stearin				
Opening Stock	18,397	8,15,163	5,23,113	1,60,74,196
Purchased during the Year			13,69,780	6,10,62,575
Consumed during the year	18,397	8,15,163	18,74,496	6,74,12,939
Closing Stock of Palm Stearin	-	-	18,397	8,15,163
Fatty Acid Oil				
Opening Stock	-	-	18,392	8,99,808
Purchased during the Year			1,52,760	57,84,188
Consumed during the year	-	-	1,71,152	97,21,598
Closing Stock of Fatty Acid Oil	-	-	-	-
Rice Bran Oil				
Opening Stock	-	-	3,62,479	1,82,72,162
Purchased during the Year			8,19,665	4,16,07,250
Stock Transfer In & (Out)			-	-
Consumed during the year			-	-
Sale during the year	-	-	11,82,144	6,58,01,848
Closing Stock of Rice Bran Oil	-	-	-	-
RBD Palm Oil				
Opening Stock	-	-	27,86,351	13,68,08,172
Purchased during the Year			78,08,845	42,79,79,704

Stock Transfer In & (Out)			-	-
Consumed during the year			1,38,660	41,60,529
Sale during the year	-	-	1,04,56,536	58,12,54,736
Closing Stock of RBD Oil			-	-
RB Crude Oil				
Opening Stock	-	-	-	-
Purchased during the Year			-	-
Stock Transfer In & (Out)			-	-
Consumed during the year			-	-
Sale during the year	-	-	-	-
Closing Stock of RB Crude Oil			-	-
Used Cooking Oil				
Opening Stock	35,579	11,92,209	2,34,651	62,36,812
Purchased during the Year		73,24,631	11,96,741	3,92,24,166
Stock Transfer In & (Out)			-	-
Consumed during the year	34,600	84,82,339	13,95,813	4,48,24,762
Sale during the year	34,600	84,82,339	-	-
Closing Stock of UCO	979	34,501	35,579	11,92,209
Crude degummed Soybean Oil				
Opening Stock	-	-	-	-
Purchased during the Year	-	-	-	-
Consumed during the year	-	-	-	-
Sale during the year	-	-	-	-
Closing Stock of CDS Oil	-	-	-	-

37. Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st, March, 2018 such parties and transactions are identified as per Accounting Standard 18

a) The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
Marvel Bio Oil FZE Sharjah, UAE	100.00 % Subsidiary
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter, Director & CFO
Mr. B. Sreedhara Reddy	Promoter & Director Administration
Mr. B. Hare Ram Balaji	Promoter & Executive Director
Mr. B. Ashok	Director
Mrs. Ashiwini Kumar Tripathi	Director
Mrs. Rohini Thondapu Reddy	Director
Mrs. Ankita Damani	Company Secretary (24.04.2017 to 22.05.2017)

b) The following are the related party transactions:

(Rupees)

Name of the Party	Relationship	Nature of Transaction	Amount	Amount
			31.03.18	31.03.17
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	-	19,20,000
		Vehicle lease	-	10,20,000
Mr. K. Radha Krishna	Promoter, Director & CFO	Remuneration	-	12,00,000
		Vehicle lease	-	10,20,000
Mr. B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	-	12,00,000
		Vehicle lease	-	10,08,000
Mr. B.H.R. Balaji	Promoter & Executive Director	Remuneration	-	12,00,000
Mrs. G. Anupama	Company Secretary	Remuneration	-	1,53,000
Mrs. Manoranjani	Company Secretary	Remuneration	-	4,05,000
Mrs. Ankita Damani	Company Secretary	Remuneration	46,640	-

Note: Mrs. Ankita Damani (Appointed as Company Secretary on 24.04.2017 and resigned on 22.05.2017

Note: Company applied for the closure of Marvel Bio Oil FZE Sharjah, UAE and awaiting for the closure certificate from concern authorities.

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.

(Rupees)

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
Profit available for the equity share holders (Rs)	(133,91,85,362)	(75,38,42,124)	(5,01,19,104)
No. of shares outstanding for EPS-Basis	5.89.93,288	5.89.93,288	5.89.93,288
No. of shares outstanding of EPS-Diluted	5.89.93,288	5.89.93,288	5.89.93,288
Basic	(22.70)	(12.78)	(0.85)
Diluted	(22.70)	(12.78)	(0.85)

40. Confirmations are not obtained from debtors / creditors as to the balances receivable / payable to them as at year ended 31st March, 2018.

41. Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs. 1,70,00,000/- as on 31.03.2018 (Previous year ended 31.3.2017 is Rs. 8,05,89,274/-) to bank, in respect of the guarantees given by the banks in favor of The President of India, Government of India, acting through the Telegraph Authority, Indian Railways Organization for Alternative Fuels (IROAF).

42. Letter of Credits

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

43. During the financial year 2016-17 itself the loan accounts held by the company are considered as Non-Performing Assets (NPA) by the lender banks, the same stand has been continued for the financial year 2017-18 too, Further an amount of Rs. 2,307.64 lakhs is due to banks on account of Interest on Term Loans and working capital which is accounted on the basis of accrual method of accounting considering prudence concept.

44. Details of Security:

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

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

45. Beginning April, 2017; the Company has for the first time adopted the Indian Accounting Standards (Ind AS) with a transition date of April, 2016 and accordingly these financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under Section 133 of Companies Act, 2013 read with the relevant rules issued there under.
46. Previous period figures have been regrouped, wherever necessary, for the purpose of comparison.
47. During the financial year the management has decided to write-off the trade receivables an amount of Rs. 96.96 Crores which were more than 18 months older. During the year the management of the company has write-off an amount of Rs. 2.60 Crores of trade payables on account of non supplies of goods.
48. The lenders have referred the matter to NCLT for resolution of debt, but the said petition was under progress.
49. Company received the showcase notice from excise department for the same company decided to approach honourable high court to justice
50. The company incurred losses during the year and also in previous years. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded. As a result there is negative net worth as on 31st March 2018.
51. 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. 1,856.22 lakhs. The damages are covered with the insurance and the petition for the claim of such losses has already been filed with the insurance company. The said claim of the company is pending for approval since past 3 years with the National Insurance Company Limited.
52. The figures have been rounded off to the nearest rupee.

As Per Our Report of Even Date
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
Firm No: 016016S

For And On Behalf of the Board

For Southern Online Biotechnologies Limited

Sd/-
M. NAVEEN
Partner
Membership No: 237316
Place: Hyderabad
Date: May 21st, 2018

Sd/-
N. SATISH KUMAR
Managing Director

Sd/-
K. RADHA KRISHNA
Whole Time Director & CFO

BLANK

STANDALONE FINANCIAL SECTION

BLANK

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

To the Members of
SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of M/s. **SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** ('the Company'), which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (Including other Comprehensive Income) and Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (Herein after referred to as " Ind AS Financial Statement)

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance(including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view, in order to design audit procedures that are

appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Basis for Qualified Opinion:

- Note No: 44 to the Financial Statements, the company has defaulted in repayment of Loans in principle and interests thereon to their respective Banks/Financial institutions and turned into NPA (Non Performing Asset). The said Banks/Financial institutions loans were been assumed on the basis of accounts furnished by the company as Rs. 295.98 Crores (Including Principle and Interest Provisions on the loans and excluding Penal Interest) and Interest Provision during the year as Rs. 22.53 Crores were been considered, which is not paid by the company.
- Note No: 49 to the financial statements, the lenders have referred the matter to National Company Law Tribunal (NCLT) for resolution of debt but the said petition has not been admitted as on date.
- Note No: 51 to the financial statements, the company incurred losses during previous year and current financial year. In the current quarter too, the company incurred loss of Rs. 10.86 Crores. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded.
- The management of the company prepared financials on the basis of going concern assumption. However, the eroded Network, Non Repayment of Loans, Non Operational of the Bio-Diesel Division and Fixed Assets Coverage Ratio (FACR) which significantly affects the company's ability to continue as a going concern.
- Note No: 48 to the financial statements, during the year the management of the company has decided to write off the Trade receivables an amount of Rs. 96.96 Crores which are more than 18 months older.
- During the year the management of the company has write-off an amount of Rs. 2.60 Crores of Trade payables.
- Company is irregular in paying the statutory dues and respective following amounts towards TDS, VAT, CST and Others as follows: (Refer Clause (vii) of the Annexure to the Audit Report)

S.No	Description	Amount (Rs. Lakhs)
1	TDS	12.33
2	VAT	11.62
3	CST & Others	22.84

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in ' **Annexure B** '; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its Ind AS 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2018.

For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

Sd/-
M Naveen
Partner
M.No. 237316

Place: Hyderabad
Date: 21st May, 2018

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Southern Online Bio Technologies Limited on the Ind AS financial statements for the year ended 31st March 2018, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
 (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. We have broadly verified the books of accounts and records 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 the sub-section (1) of section 148 of the Companies Act 2013, 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. According to the information and explanations given to us and based on the records of the company examined by us, in respect of the Statutory dues,:
 - a) There are some delays in depositing undisputed statutory dues including Sales Tax, Service Tax, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:

S. No	Description	Amount (Rs. Lakhs)
1	TDS	12.33
2	VAT	11.62
3	CST & Others	22.84

- viii. In our opinion, and according to the information and explanations given to us, the company has defaulted in principal repayment & interest to the banks and financial institutions, and those accounts were classified as Non - Performing Assets.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). No term loans were raised by the Company during the year.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has not entered transactions with related parties during the year in accordance. Hence the of sec.177 and 188 of the Companies Act, 2013 is not applicable to the company.
- xiv. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

Sd/-
M Naveen
Partner
M.No. 237316

Place: Hyderabad
Date: 21st May, 2018

Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Southern Online Bio Technologies Limited** ("the Company") as of 31st march 2018 in conjunction with our audit of standalone Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

Sd/-
M Naveen
Partner
M.No. 237316

Place: Hyderabad
Date: 21st May, 2018

Standalone BALANCE SHEET as at 31st, March 2018

Particulars	Note No	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
		(Rupees)	(Rupees)	(Rupees)
I.ASSETS				
(1) Non-current assets				
(a) Fixed assets				
(i) Property, Plant and Equipment	1	1,18,14,18,170	1,29,19,99,367	1,37,50,85,833
(ii) Capital work-in-progress		-		
(b) Financial assets: Investments	2	60,01,108	60,01,108	38,62,520
(c) Deferred tax assets (net)	3	15,88,51,977	18,77,04,083	19,26,68,957
(d) Long term loans and advances	4	1,28,13,846	1,54,74,694	2,00,44,365
(e) Other non-current assets	5	34,35,425	50,01,142	7,84,23,673
(2) Current assets				
i) Financial assets:				
(a) Inventories	6	4,58,53,762	7,21,84,405	51,06,78,930
(b) Trade receivables	7	4,91,79,444	1,03,91,46,016	66,80,76,079
(c) Cash and cash equivalents	8	49,59,827	41,58,488	1,55,90,659
(d) Short-term loans and advances	9	22,81,51,256	23,48,48,645	35,97,52,619
(e) Other current assets	10	20,93,042	-	-
Total		1,69,27,57,858	2,85,65,17,947	3,22,41,83,635
II. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Equity Share Capital	11	58,99,32,880	58,99,32,880	58,99,32,880
(b) Other Equity	12	(2,65,76,79,935)	(1,31,84,94,573)	(56,46,52,450)
(2) Share application money pending for allotment	13	30	30	30
(3) Non-Current Liabilities				
(a) Long-term borrowings	14	1,65,42,70,592	1,65,51,03,187	1,76,51,53,265
(b) Deferred tax liabilities (Net)				
(b) Other Long term liabilities	15	6,13,14,262	8,25,71,799	7,07,25,630
(d) Long term provisions				
(4) Current Liabilities				
(a) Short-term borrowings	16	1,74,89,26,814	1,74,34,70,952	66,94,28,079
(b) Trade payables	17	5,40,90,594	8,53,97,588	67,30,08,734
(c) Other current liabilities		-	-	-
(c) Short-term provisions	18	24,19,02,621	1,85,36,084	2,05,87,467
Total		1,69,27,57,858	2,85,65,17,947	3,22,41,83,635
Summary of Significant Accounting Policies the accompanying Notes are an Integral Part of the Financial Statements	27			

As Per Our Report of Even Date
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

For And On Behalf of the Board

For Southern Online Biotechnologies Limited

Sd/-
M. NAVEEN
Partner
Membership No: 237316
Place: Hyderabad
Date: May 21st, 2018

Sd/-
N. SATISH KUMAR
Managing Director

Sd/-
K. RADHA KRISHNA
Whole Time Director & CFO

Standalone Statement of Profit & Loss for the year ended 31st, March 2018

Particulars	Note No	For the year ended	For the year ended
		31.03.2018	31.03.2017
		(Rupees)	(Rupees)
I. Net Sales / Income from Operations (Net of Excise Duty)	19	6,40,38,188	1,23,65,46,967
II. Other Operative Income	20	2,90,13,054	44,03,407
III. Total Income From Operations Revenue (I+II)		9,30,51,242	1,24,09,50,374
IV. Expenses:			
Cost of materials consumed	21	92,97,502	39,84,50,170
Purchase of Stock-in-Trade	21	-	52,16,32,212
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	22	1,67,56,423	25,72,94,846
Employee benefit expense	23	79,40,857	2,39,51,813
Other operating expenses	24	1,02,99,94,598	30,86,07,306
Administrative Expenses	25	75,08,641	3,83,71,470
Financial costs	26	23,07,64,338	33,55,74,892
Depreciation and amortization expense	1	10,11,22,140	10,59,44,915
Total Expenses		1,40,33,84,498	1,98,98,27,624
V. Profit / (Loss) before tax (III - IV)		(1,31,03,33,257)	(74,88,77,250)
VI. Tax expense:			
(1) Current tax			
(2) Deferred tax		2,88,52,106	49,64,874
Net Profit (+) / Loss (-) from ordinary activities after tax (V-VI)		(1,33,91,85,362)	(75,38,42,124)
VII. Extraordinary items (net of tax expenses)			
a) Loss due to Cyclone Hud Hud.			
b) Insurance claim for Cyclone Loss.			
Net Profit (+) / Loss (-) for the period (VI-VII)		(1,33,91,85,362)	(75,38,42,124)
VIII. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (VII+VIII)		(1,33,91,85,362)	(75,38,42,124)
IX. Earnings Per Equity Share - (for Continuing operation)			
Basic (Rs.)		(22.70)	(12.78)
Diluted (Rs.)		(22.70)	(12.78)
X. Earnings Per Equity Share - (for Discontinued operation)			
Basic (Rs.)			
Diluted (Rs.)			
XI. Earnings Per Equity Share - (for Continuing & Discontinued operation)			
Basic (Rs.)		(22.70)	(12.78)
Diluted (Rs.)		(22.70)	(12.78)

As Per Our Report of Even Date
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

For And On Behalf of the Board

For Southern Online Biotechnologies Limited

Sd/-
M. NAVEEN
Partner
Membership No: 237316
Place: Hyderabad
Date: May 21st, 2018

Sd/-
N. SATISH KUMAR
Managing Director

Sd/-
K. RADHA KRISHNA
Whole Time Director & CFO

Standalone Cash Flow Statement for the year ended 31st, March 2018

PARTICULARS	Year Ended 31.03.2018 (Rs)	Year Ended 31.03.2017 (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(1,31,03,33,257)	(74,88,77,250)
Adjustments for:		
Depreciation	10,11,22,140	10,59,44,915
Written off Expense	-	-
Interest	23,07,64,338	33,55,74,892
Operating Profit before working capital charges	(97,84,46,779)	(30,73,57,443)
Increase in Loans and Advances	88,30,911	20,28,96,177
Trade and other receivables	98,99,66,572	(37,10,69,937)
Inventories	2,63,30,643	43,84,94,525
Trade payables	19,20,59,543	(58,96,62,529)
Cash generated from operations	23,87,40,890	(62,66,99,207)
Interest paid	23,07,64,338	33,55,74,892
Cash flow before extraordinary items - (A)	79,76,552	(96,22,74,099)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.		-
Interest and exp capitalization	-	-
Purchase of Fixed Assets	(94,59,057)	2,28,58,449
Investments made in subsidiaries	-	21,38,588
Net cash used in investing activities - (B)	(94,59,057)	2,49,97,037
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Creditors for capital goods		
Increase / decrease in Secured Loans	46,23,267	96,39,92,796
Increase / decrease in Long Term liabilities	(2,12,57,537)	1,18,46,169
Net Cash used in Financing activities - (C)	(1,66,34,270)	97,58,38,965
Net increase in cash and cash equivalents - (A-B+C)	8,01,339	(1,14,32,171)
Cash and Cash equivalents as at (Opening Balance)	41,58,488	1,55,90,659
Cash and Cash equivalents as at (Closing Balance)	49,59,827	41,58,488

As Per Our Report of Even Date
 For P C N & Associates.,
 (Formerly Known as Chandra Babu Naidu & Co.)
 Chartered Accountants
 FRN: 016016S

For And On Behalf of the Board

For Southern Online Biotechnologies Limited

Sd/-
 M. NAVEEN
 Partner
 Membership No: 237316
 Place: Hyderabad
 Date: May 21st, 2018

Sd/-
 N. SATISH KUMAR
 Managing Director

Sd/-
 K. RADHA KRISHNA
 Whole Time Director & CFO

NOTE NO: 1 FIXED ASSETS AS ON 31st March, 2018 - Standalone

S L I D E	Particulars	Gross Block						Rate of Depreciation	Depreciation/Amortization					Net Block as on 31.03.2018	Net Block as on 31.03.2017	
		As on 01.04.2017	Additions during the year	Through Restoration	Capitalised during the year	Sale / Deletions during the year	As on 31.03.2018		Dep. For the year 2017-2018	Impairment Loss / Reversal of Impairment Loss for the Year	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation				
1	LAND	5,46,49,032	-	-	-	-	5,46,49,032	0.00%	-	-	-	-	-	-	5,46,49,032	
2	BUILDING @60 Years	58,47,273	-	-	-	-	58,47,273	1.58%	92,387	-	-	-	-	10,82,549	47,64,724	48,57,111
3	BUILDING @30 Years	15,20,22,155	-	-	-	-	15,20,22,155	3.17%	48,19,102	-	-	-	-	3,21,79,042	11,98,43,113	12,46,62,215
4	PLANT & MACHINERY	1,48,41,93,798	-	-	-	-	1,48,41,93,798	6.33%	9,39,49,467	-	-	-	-	48,61,38,112	99,80,55,686	1,09,20,05,153
5	OFFICE EQUIPMENT	48,35,642	65,000	-	-	-	49,00,642	19.00%	5,19,164	-	-	-	-	44,62,712	4,37,930	8,92,094
6	COMPUTERS	9,19,49,368	12,075	-	-	-	9,19,61,443	31.67%	27,17,287	-	-	-	-	9,19,52,400	9,043	27,14,255
7	FURNITURE	77,36,147	-	-	-	7,10,192	70,25,955	9.50%	7,34,934	2,02,774	-	-	-	51,06,006	19,19,949	31,62,301
8	VEHICLES	1,67,41,783	-	-	-	1,07,67,108	59,74,675	11.88%	(17,10,201)	17,38,394	-	-	-	42,35,982	17,38,693	90,57,207
	Total	1,81,79,75,198	77,075	-	-	1,14,77,300	1,80,65,74,973		10,11,22,140	19,41,768	-	-	62,51,56,803	1,18,14,18,170	1,29,19,99,367	

NOTE NO. 2 : NON- CURRENT INVESTMENTS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Non- Current Investments. 1) Investment in Subsidiaries Equity Shares: a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	48,34,245	48,34,245	34,30,970
	b) Marvel Bio Oil, FZE, Sharjah	11,66,863	11,66,863	4,31,550
	Total Non - Current Investments	60,01,108	60,01,108	38,62,520

NOTE NO. 3 : DEFERRED TAX ASSET / (LIABILITY)

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Opening Deferred tax Assets / (Liability)	18,77,04,083	19,26,68,957	16,85,97,988
	Add:		-	-
	Reversal of Deferred Tax asset/(Liability)			
	DTA During the year	(2,88,52,106)	(49,64,874)	2,40,70,969
	Gross Deferred tax Liability	15,88,51,977	18,77,04,083	19,26,68,957
	Opening Deferred tax Asset	-	-	-
	Provision for Gratuity and Compensated Absences and doubtful debte	-	-	-
	Gross Deferred tax Asset	-	-	-
	Deferred Tax Asset / (Liability)	15,88,51,977	18,77,04,083	19,26,68,957

NOTE NO. 4 : LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Long - term loans and advances: a) Security Deposit Secured	1,28,13,846	1,54,74,694	2,00,44,365
	c) Loans and advances to related parties (giving details thereof) Secured		-	-
	Unsecured		-	-
	Doubtful		-	-

	d) Other loans And advances (Specify the nature)		-	-
	Secured		-	-
	Unsecured		-	-
	Doubtful		-	-
	Total Long Term Loans&Advances	1,28,13,846	1,54,74,694	2,00,44,365

NOTE NO.5 : OTHER NON - CURRENT ASSETS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Long term Trade receivable (Including trade receivables on deferred credit basis)			
	Unsecured considered good	34,35,425	50,01,142	7,84,23,673
	Total non - current assets	34,35,425	50,01,142	7,84,23,673

NOTE NO. 6 : INVENTORIES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Inventories :			
	a) Raw materials			
	Palm Stearin	-	8,15,163	12,64,171
	Mutton Tallow	-	-	-
	Rice Bran Oil	-	-	1,82,72,163
	Used Cooking Oil	34,501	11,92,209	62,36,812
	Seeds	1,57,363	1,57,363	1,57,363
	Fatty Acid Oil	-	-	8,99,808
	RBD Palm Oil	-	-	13,68,08,172
	Refined Palm Oil	-	-	1,48,10,025
	Chemicals & Consumables	37,69,555	1,01,82,736	1,31,31,749
	Sub Total	39,61,419	1,23,47,471	19,15,80,263
	b) Finished goods			
	Bio Diesel.	23,68,600	22,09,158	22,48,55,030
	Glycerine.	17,52,315	1,27,35,555	5,58,09,780
	Rice Bran Oil	-	-	1,67,82,975
	Sludge and Fatty Acid.	47,64,621	1,06,97,246	68,99,928
	Other Stock	2,14,10,908	2,14,10,908	-
	Sub Total	3,02,96,445	4,70,52,867	30,43,47,713
	c) Stores and spares	1,15,95,898	1,27,84,067	1,47,50,954
	f) Loose tools	-	-	-
	Total Inventories	4,58,53,762	7,21,84,405	51,06,78,930

NOTE NO. 7 : TRADE RECEIVABLES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
1	Unsecured, Considered Good for more than Six Months)	4,91,79,444	83,79,48,454	29,81,99,530
	Other debts	-	20,11,97,561	36,98,76,549
	Total Trade Receivables(net)	4,91,79,444	1,03,91,46,016	66,80,76,079

NOTE NO. 8 : CASH AND BANK BALANCES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Cash and cash equivalents :			
	a) Balances with banks :			
	- On Current Accounts	42,67,911	36,97,102	1,43,17,130
	b) Cash on hand	6,91,916	4,61,386	12,73,529
	Total Cash and Cash Equivalents	49,59,827	41,58,488	1,55,90,659

NOTE NO. 9 : SHORT TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Short - Term Loans and Advances:			
	a) Security Deposit			
	LC Margin & Other Deposit	1,66,70,268	1,66,75,468	5,27,88,102
	Unsecured	-		
	Doubtful	-		
	b) Loans and advances to related parties			
	Secured	-		
	Unsecured	-		
	INTER DIVISION	(0)	3	-
	b) Other loans And advances			
Secured - Raw Material etc.	-	-	8,92,59,224	
Secured - Other Advances	2,58,58,095	3,25,50,281	3,20,82,400	
Insurance claim	18,56,22,893	18,56,22,893	18,56,22,893	
	Total short term loans & advances	22,81,51,256	23,48,48,645	35,97,52,619

NOTE NO. 10 : OTHER CURRENT ASSETS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Unamortised Premium on forward contracts	-	-	-
	VAT Input / TDS Receivable/ GST Input	20,93,042	-	-
	Sub Total	20,93,042	-	-

NOTE NO. 11 :EQUITY SHARECAPITAL

S. No.	Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
		No. of Shares	(Rupees)	No. of shares	(Rupees)	No. of shares	(Rupees)
a	Equity Share Capital (For each class of capital)						
	(a) Authorised	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(c) Subscribed & Fully Paid Up	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(d) Subscribed & not fully paid up						
	(e) Par value per share Rs. 10						
	Total Equity Share capital		58,99,32,880		58,99,32,880		58,99,32,880
b	Preference shares at the beginning as per class of shares	-	-	-	-	-	-
	Add : Issued/Repaid During the year		-		-		-
	Less : Repaid During the year		-		-		-
	Preference shares at the end of the Year		-		-		-
	Total Share capital		58,99,32,880		58,99,32,880		58,99,32,880
b	calls unpaid :		-		-		-
	Equity Shares						
	By Directors		-		-		-
	By Officers		-		-		-
b	Forfeited shares (amount originally paid up)		-		-		-

c	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares		Number of Shares	
	Equity Shares of Rs.10Each,Fully paid up :						
	At the Beginning	5,89,93,288		5,89,93,288		5,89,93,288	
	Issued during the year - Bonus Issue	-		-		-	
	Issued during the year - Cash Issue	-		-		-	
	Issued during the year - ESOP	-		-		-	
	Issued during the year - Pref Issue		-	-		-	
	Forfeited / Bought Back during the year	-		-		-	
	At the end	5,89,93,288		5,89,93,288		5,89,93,288	
	At the Beginning	NIL		NIL		NIL	
	Issued during the year - Bonus Issue	NIL		NIL		NIL	
	Issued during the year - Cash Issue	NIL		NIL		NIL	
	Issued during the year - ESOP	NIL		NIL		NIL	
	Forfeited / Bought Back during the year	NIL		NIL		NIL	
	At the end	NIL		NIL		NIL	
d	Details of Shareholder holding more than 5% shares of the company:	% of Share Holding					
	Equity Shares of Rs. 10 each Held By						
	(a) Share Holder - N. Satish Kumar - No. Of Shares (C.Y) 60,27,652, No. of Shares (P.Y) 60,27,652		10.22		10.22		10.22
	(b) Share Holder - A/sried Company for Trade Limited - No. of Shares (C.Y) 34,06,769, No. of Shares (P.Y) 34,06,769		5.77		5.77		5.77

(c) Share Holder - Advait BV - No. of Shares (C.Y) 31,14,935, No. of Shares (P.Y) 43,23,267.	5.28	5.28	7.33
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NOTE NO. 12 :OTHER EQUITY

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	OTHER EQUITY			
	a) Securities Premium Reserve			
	As at the commencement of the year	25,31,87,500	25,31,87,500	25,31,87,500
	Add: Additions during the year	-	-	-
	Less: Utilised during the year	-	-	-
		25,31,87,500	25,31,87,500	25,31,87,500
	b) Surplus :			
	i) Opening Balance - Profit and Loss Account	(1,60,83,42,850)	(85,45,00,726)	(80,43,81,622)
	Add: Transfer from Profit & Loss Account	(1,33,91,85,362)	(75,38,42,124)	(5,01,19,104)
	Less: Transfer To General Reserve	-	-	-
	Less: Adjustment to fixed assets pursuant to enactment of Schedule II of the companies Act 2013.	-	-	-
	Less: Bonus shares	-	-	-
	Less: Transfer to/from reserves.	-	-	-
		(2,94,75,28,212)	(1,60,83,42,850)	(85,45,00,726)
	c) Share warrants forfeited premium :			
	As at the commencement of the year	3,31,63,000	3,31,63,000	3,31,63,000
	Add: Additions during the year	-	-	-
	Less: Utilised during the year	-	-	-
		3,31,63,000	3,31,63,000	3,31,63,000
II	A Reserve specifically represented by earmarked investments	-	-	-
III	Negative balance of reserves and surplus account	-	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777	34,97,777
	Total Other Equity	(2,65,76,79,935)	(1,31,84,94,573)	(56,46,52,449)

NOTE NO. 13 : SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Share Application Money	30	30	30
	Add : Received	-	-	-
	TOTALSHARE APPLICATION MONEY	30	30	30
	Less : Share application money equity shares allotted	-	-	-
	Total	30	30	30

NOTE NO. 14 : LONG TERM BORROWINGS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Long Term borrowings			
	a) Secured Term Loans from Banks:			
	From banks:			
	Secured			
	Bank of India, Banjara Hills, - Loan for Flats	9,66,706	9,66,706	25,82,833
	IIFL- TATA ACE Vehicle Loan.	-	1,41,824	3,72,480
	ICICI Bank - Vehicle Loan.	-	3,11,336	5,53,498
	Term Loans:(BOI,SBH,UCO& PNB) (*Hypothecation of Plant & Machinery and Immovable Properties, refer Note No.45 for securities provided)	1,60,65,19,276	1,60,81,68,211	1,71,61,29,344
	b) Unsecured Loans from Directors / Others:			
	Unsecured Loan	4,67,84,610	4,55,15,110	4,55,15,110
	Total long term borrowings	1,65,42,70,592	1,65,51,03,187	1,76,51,53,265

NOTE NO. 15 : OTHER LONG TERM LIABILITES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	a) Other long term liabilities			
	- Other Liabilities	5,81,50,000	5,81,50,000	5,80,00,000
	- Capex payable	31,64,262	2,44,21,799	1,27,25,630
	Total other long term liabilities	6,13,14,262	8,25,71,799	7,07,25,630

NOTE NO. 16 : SHORT TERM BORROWINGS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	Short term borrowings			
	a) Loans repayable on demand - WC			
	Bank of India	65,78,00,581	65,75,18,669	14,16,26,583
	State Bank of Hyderabad	49,06,61,018	48,54,87,068	4,15,78,855
	UCO Bank	14,42,40,777	14,42,40,777	104
	Punjab National Bank	6,03,68,678	6,03,68,678	53,29,624
	(*Hypothecation of stocks and Book debts, refer Note No.45 for securities provided)			
	b) on a/c of Letter of Credit :			
	Bank of India	-	-	38,36,56,953
	State Bank of Hyderabad	-	-	9,72,35,960
	UCO Bank	-	-	-
	Punjab National Bank	-	-	-
	c) Interest Accruals	39,58,55,760	39,58,55,760	-
	Total short term borrowings	1,74,89,26,814	1,74,34,70,952	66,94,28,079

NOTE NO. 17 : TRADE PAYABLES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	a) Trade Payables	5,40,90,594	8,53,97,588	67,30,08,734
	Total Trade Payables	5,40,90,594	8,53,97,588	67,30,08,734

NOTE NO. 18 : SHORT TERM PROVISIONS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
		(Rupees)	(Rupees)	(Rupees)
I	a) Provisions for employee benefits			
	PF Payable	17,09,481	20,89,429	3,61,564
	ESI Payable	74,458	65,085	-
	Salaries Payable	39,81,803	44,06,504	41,38,340
	b) Others			
	Statutory Liabilities	64,56,583	52,95,633	94,25,417
	Provision for Expenses	22,96,80,296	66,79,433	66,62,146
	Total short term provisions	24,19,02,621	1,85,36,084	2,05,87,467

NOTE NO. 19 : REVENUE FROM OPERATIONS

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
(i)	Revenue from operations		
	(a) Sale of Products	2,26,80,565	1,21,30,37,834
	(b) Sale of Products (Exports)	-	-
	(c) Sale of Products (Exports Out to Out India)	-	-
	(d) Sale of Services	4,13,57,623	5,43,89,894
	(e) Other Operating Revenues (IROAF Chennai)	-	14,00,000
	Less: Excise & Customs Duties	-	3,22,80,761
	Total Revenue from Operations	6,40,38,188	1,23,65,46,967

NOTE NO. 20 : OTHER INCOME

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Other non-operating income (net of expenses directly attributed to such income)	2,90,13,054	44,03,407
II	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	-
	Total Other Income	2,90,13,054	44,03,407

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

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	a) Material		
	Palm Stearin	8,15,163	12,66,36,203
	Mutton Tallow	-	-
	Rice Bran Oil	-	5,98,79,413
	Used Cooking Oil	84,82,339	4,42,68,769
	Fatty Acid Oil	-	66,83,996
	RBD Palm Oil	-	13,68,08,172
	Refined Palm Oil	-	1,92,64,395
	Cost of Material Consumed - Sub Total (A)	92,97,502	39,35,40,947
	b) Purchases - Stock in Trade	-	52,16,32,212
	Cost of Purchase Stock In Trade - Sub Total (B)	-	52,16,32,212
	c) Chemicals & Consumables	-	-
	Cost of Chemicals & Consumables - Sub Total (C)	-	-
	IROAF Contract Expenses	-	49,09,223
	IROAF Contract Expenses - Sub Total (D)	-	49,09,223
	Total Cost Of Material Consumed (A+B+C+D)	92,97,502	92,00,82,382

NOTE NO. 22 : CHANGE IN INVENTORIES & WIP

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	Finished Goods		
	Finished goods at the beginning of the year	4,70,52,868	30,43,47,713
	Less : Finished goods at the end of the year	3,02,96,445	4,70,52,867
	Sub Total (A)	1,67,56,423	25,72,94,846
	Work in Progress		
I	Work in progress at the beginning of the year	-	-
	Less: Work in progress at the ending of the year	-	-
	Less : Loss due to Cyclone Hud Hud	-	-
	Sub Total (B)	-	-
II	Stock-in-Trade		
	Finished goods at the beginning of the year	-	-
	Less : Finished goods at the end of the year	-	-
	Sub Total (C)	-	-
	(Increase) / Decrease in Inventories (A+B+C)	1,67,56,423	25,72,94,846

NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Salaries & Wages	64,24,511	1,44,89,178
	(b) Contribution to Provident & Other Funds	4,83,416	46,45,501
	(c) Staff Welfare Expenses	10,32,930	48,17,134
	Total Employee Benefit Expenses	79,40,857	2,39,51,813

NOTE NO. 24 : OTHER OPERATING EXPENSES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Consumption of Stores & Spares	74,61,382	3,07,32,776
	(b) Power & Fuel	28,52,151	4,30,31,824
	(c) Rent	4,35,409	-
	(d) Repairs to Machinery	12,84,473	87,56,154
	(e) Insurance	1,94,362	34,57,559
	(f) Rates & Taxes (Excluding Income Tax)	9,40,440	3,56,66,524
	(g) Bandwidth	2,84,22,901	3,66,90,108
	(h) Other Mfg Expenses	2,54,467	74,99,315
	(i) Factory Wages	1,07,82,959	2,79,54,255
	(j) Shipping Charges	3,12,890	89,86,128
	(k) Freight charges (Inward)	-	1,57,58,588
	(l) Freight Charges - Outward & Insurance	3,20,612	8,96,44,745
	(m) Other Non Operative Expenses	96,96,60,543	
	(n) Loss on Sale of Assets	22,88,306	
	(o) Other Expenses (Provision for Debtors)	47,83,703	4,29,328
	Total Other Expenses	1,02,99,94,598	30,86,07,306

NOTE NO. 25 : ADMINSTRATIVE EXPENSES

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Telephone, Postage and Others	2,70,944	12,14,544
	(b) Business Promotion Expenses	4,96,815	44,82,647
	(c) Travelling & Conveyance	7,45,699	1,01,00,849
	(d) Repairs and Maintenance	2,22,635	48,69,085
	(e) Printing & Stationery Expenses	1,16,236	4,21,956
	(f) Security Charges	4,14,320	8,68,473
	(g) Rent, Rate & Taxes (excluding Income Tax)	-	20,29,575
	(h) Managerial Remuneration	-	55,20,000
	(i) Consultancy Charges	37,27,775	52,32,722
	(j) Gen Expenses	3,95,582	20,77,617
	(k) Director Sitting Fee / Board Meeting Expenses	11,869	10,96,351
	(l) Payment to Auditors:		
	(i) As Auditor	75,000	75,000
	(ii) For Taxation Matters	50,000	50,000
	(iii) For Company Law Matters	25,000	25,000
	(m) Advertisements	12,000	46,404
	(n) Collection Expenses	-	-
	(o) Commission & Discounts	1,34,300	2,61,247
	(p) Accidental / Medical Charges	8,10,465	-
	Total Administrative Expenses	75,08,641	3,83,71,470

NOTE NO. 26 : FINANCE COST

S. No.	Particulars	As at 31.03.2018	As at 31.03.2017
		(Rupees)	(Rupees)
I	(a) Interest Expenses :		
	- Interest on Cash Credit	-	14,55,72,686
	- Interest on Car Loan / Term Loan	-	16,55,52,485
	- Interest on LC & BG Discounts	-	-
	- LC & BG Opening Charges, Bank Charges & others	23,07,64,338	1,98,24,411
	- CDR - Facilitation Charges	-	-
	(b) Other Borrowing costs	-	-
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	46,25,311
	Total Finance Cost	23,07,64,338	33,55,74,892

Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Particulars	(Amounts in Rs.)		
	Year ended March 31, 2017		
	IGAAP	Effects of transition to Ind-AS	Ind AS
Revenue from Operations (Gross)	1,23,65,46,967	-	1,23,65,46,967
Other income	44,03,407	-	44,03,407
Total Income	1,24,09,50,374	-	1,24,09,50,374
Expenses			
Cost of materials consumed	39,84,50,170	-	39,84,50,170
Purchase of Stock-in-Trade	52,16,32,212	-	52,16,32,212
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	25,72,94,846	-	25,72,94,846
Employee benefit expense	2,39,51,813	-	2,39,51,813
Other operating expenses	30,86,07,306	-	30,86,07,306
Administrative Expenses	3,83,71,470	-	3,83,71,470
Financial costs	33,55,74,892	-	33,55,74,892
Depreciation and amortization expense	10,59,44,915	-	10,59,44,915
Total Expenses	1,98,98,27,624	-	1,98,98,27,624
Profit/(loss) before Tax	(74,88,77,250)	-	(74,88,77,250)
Tax expense:			
Current Tax	-	-	-
Deferred Tax	49,64,874	-	49,64,874
Profit/(Loss) for the period	(75,38,42,124)	-	(75,38,42,124)
Other comprehensive income			
Items that will not be reclassified to profit or loss	-	-	-
Income tax related to items that will not be reclassified to profit or loss	-	-	-
Items that will be reclassified to profit or loss	-	-	-
Income tax related to items that will be reclassified to profit or loss	-	-	-
Total other comprehensive income, net of tax	-	-	-
Total comprehensive income for the period	(75,38,42,124)	-	(75,38,42,124)

First Time Adoption of Ind-AS:

These financial statements of Southern Online Biotechnologies Limited for the year ended March 31, 2018 have been prepared in accordance with Companies (Indian Accounting Standards) Amendment Rules, 2016. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2017 and the comparative information.

Reconciliations:

The following reconciliations provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101:

1. Equity as at April 1, 2016 and March 31, 2017
2. Net profit for the year ended March 31, 2017

Reconciliation of Balance Sheet previously reported under IGAAP to Ind AS

Particulars	(Amounts in Rs.)					
	Opening Balance Sheet as at April 1, 2016			Balance Sheet as at March 31, 2017		
	IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
ASSETS						
Non-current assets						
Property, plant and equipment	1,37,50,85,833	-	1,37,50,85,833	1,29,19,99,367	-	1,29,19,99,367
Capital work-in-progress	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Financial Assets						
Investments	38,62,520	-	38,62,520	60,01,108	-	60,01,108
Loans	2,00,44,365	-	2,00,44,365	1,54,74,694	-	1,54,74,694
Other financial assets	-	-	-	-	-	-
Deferred tax assets (net)	19,26,68,957	-	19,26,68,957	18,77,04,083	-	18,77,04,083
Other non-current assets	7,84,23,673	-	7,84,23,673	50,01,142	-	50,01,142
Total non-current assets	1,67,00,85,348	-	1,67,00,85,348	1,50,61,80,393	-	1,50,61,80,393
Current Assets						
Inventories	51,06,78,930	-	51,06,78,930	7,21,84,405	-	7,21,84,405
Financial Assets						
Investments	-	-	-	-	-	-
Trade receivables	66,80,76,079	-	66,80,76,079	1,03,91,46,016	-	1,03,91,46,016
Cash and cash equivalents	1,55,90,659	-	1,55,90,659	41,58,488	-	41,58,488
Loans	35,97,52,619	-	35,97,52,619	23,48,48,645	-	23,48,48,645
Other financial assets	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total current assets	1,55,40,98,287	-	1,55,40,98,287	1,35,03,37,554	-	1,35,03,37,554
Total Assets	3,22,41,83,635	-	3,22,41,83,635	2,85,65,17,947	-	2,85,65,17,947
EQUITY AND LIABILITIES						
Equity						
Equity share capital	58,99,32,880	-	58,99,32,880	58,99,32,880	-	58,99,32,880
Other equity	-56,46,52,450	-	(56,46,52,450)	-1,31,84,94,573	-	(1,31,84,94,573)
Share application money pending for allotment	30	-	30	30	-	30
Total equity	2,52,80,460	-	2,52,80,460	(72,85,61,663)	-	(72,85,61,663)
LIABILITIES						
Non current liabilities						
Financial liabilities						
Borrowings	1,76,51,53,265	-	1,76,51,53,265	1,65,51,03,187	-	1,65,51,03,187
Other financial liabilities	7,07,25,630	-	7,07,25,630	8,25,71,799	-	8,25,71,799

Provisions	-	-	-	-	-	-
Deferred tax liabilities (net)	-	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-	-
Total non current liabilities	1,83,58,78,895	-	1,83,58,78,895	1,73,76,74,986	-	1,73,76,74,986
Current liabilities						
Financial liabilities						
Borrowings	66,94,28,079	-	66,94,28,079	1,74,34,70,952	-	1,74,34,70,952
Trade Payables	67,30,08,734	-	67,30,08,734	8,53,97,588	-	8,53,97,588
Deferred tax liabilities	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Provisions	2,05,87,467	-	2,05,87,467	1,85,36,084	-	1,85,36,084
Current Tax Liabilities (net)	-	-	-	-	-	-
Total current liabilities	1,36,30,24,280	-	1,36,30,24,280	1,84,74,04,624	-	1,84,74,04,624
Total liabilities	3,19,89,03,175	-	3,19,89,03,175	3,58,50,79,610	-	3,58,50,79,610
Total Equity And Liabilities	3,22,41,83,635	-	3,22,41,83,635	2,85,65,17,947	-	2,85,65,17,947

Explanations for reconciliation of Balance Sheet as previously reported under IGAAP to Ind ASA. Deferred Tax Liabilities

Indian GAAP requires deferred tax accounting using income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

27. Summary of Significant Accounting Policies and Notes to the Accounts for the year ended 31st, March 2018.

A. Corporate Information

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

The Company is one of the first private sector ISPs to commence operations in the state of Andhra Pradesh. However, considering the opportunities in the field of manufacture and supply of alternative fuels to petroleum- based fuels, the promoters have decided to diversify into production and supply of biodiesel. The Company has established 40,000 liters per day capacity Biodiesel production unit from non-edible vegetables oils, fatty acids, animal fats / Mutton tallow, 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.

B. Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

Property, plant and equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is applied as per the Schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

I. 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.

II. Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

III. Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

IV. Share Capital

Equity shares are classified as equity.

V. Employee Benefits

Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work in Progress / Intangible asset under development.

VI. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

VII. Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations

under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims / Counter Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when as inflow of economic benefits is probable

VIII. Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects GST, service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company.

Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from the sale of goods are recognized when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required, the quantity and quality of the goods has been determined, the price is considered fixed and generally title has passed.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established.

IX. Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

X. Earnings per Share

Basic earnings per share are calculated by dividing:

- **The profit attributable to owners of the company**
- **By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.**

XI. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

28. Share Capital

The Equity Share Capital of the company as on 31st March, 2018 is 5,89,93,288 Equity Shares of Rs. 10/- each fully paid up.

During the year:

During the year 2017-18 the Company has not allotted Equity shares.

29. Secured Loans

The Company's Bio Diesel Divisions has working Capital facilities (inclusive of short term borrowings & LC devolvement's) to the tune of Rs. 17,489.27 Lacs which is secured against stocks and book debts.

30. Investments

Particulars	As at	As at	As at
	31.03.2018	31.03.2017	31.03.2016
	(Rupees)	(Rupees)	(Rupees)
Non- Current Investments.			
1) Investment in Subsidiaries			
a) Southern Biofe BioFuels Pvt Ltd - 99.97%			
Opening – As on April 1 st , 2017	48,34,245	34,30,970	
Additions during the year		14,03,275	
Closing as on 31 st March 2018	48,34,245	48,34,245	34,30,970
b) Marvel Bio Oil, FZE, Sharjah			
As on April 1 st , 2017	11,66,863	4,31,550	
Additions		7,35,313	
Closing as on 31 st March 2018	11,66,863	11,66,863	4,31,550
Total Non - Current Investments	60,01,108	60,01,108	38,62,520

No other investments were made by the company.

31. Segment Reporting

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

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

The Bio Diesel division manufactures the Bio Diesel.

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

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

- The income and expenditure relating to 30 TPD capacity bio diesel unit at Tondiarpet, Chennai.
 - The income and expenditure relating to Cross country trading of Used Cooking Oil.
 - The income and expenditure relating to local Stock in Trade of Rice Bran Oil & RBD Palm Oil.
- The assets of the company are used interchangeably between segments, and the management believes that it is not practical to provide segment disclosure relating to total assets and liabilities.

Business Segments:

(Rs. In Lacs)

Statement of Profit and loss for the year ended 31.03.2018	ISP		BIO DIESEL		OTHERS		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Sales / Revenue from Operations (Net of GST)	413.58	543.90	226.81	9639.07	0.00	2182.50	640.38	12365.47
Identifiable Operating Expenses	921.45	393.59	6764.86	10935.22	2874.18	3526.74	10560.49	14855.56
Allocated Expenses	122.79	154.82	1034.81	1446.49	8.12	85.66	1165.72	1686.98
Segmental Operating Income	-630.66	-4.52	-7572.87	-2742.65	-2882.30	-1429.90	-11085.82	-4177.07
Unallocated Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year before Interest	-630.66	-4.52	-7572.87	-2742.65	-2882.30	-1429.90	-11085.82	-4177.07
Finance Cost	2.00	2.97	2305.43	3341.97	0.22	10.80	2307.64	3355.74
Other income	4.70	14.68	24.90	29.36	260.53	0.00	290.13	44.04
Net profit before taxes and prior period items	-627.96	7.19	-9853.39	-6055.26	-2621.98	-1440.70	-13103.33	-7488.77
Provision for taxation	0.00	0.00	288.52	49.65	0.00	0.00	288.52	49.65
Prior Period Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit after taxes and before exceptional items	-627.96	7.19	-10141.92	-6104.91	-2621.98	-1440.70	-13391.85	-7538.42
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit after tax and exceptional items	-627.96	7.19	-10141.92	-6104.91	-2621.98	-1440.70	-13391.85	-7538.42

Geographical segments

(Rs. In Lacs)

Revenues	As at 31.3.2018	As at 31.3.2017	As at 31.3.2016
India	640.38	12,295.84	19,133.68
Outside India	0	69.63	2,981.28
Total	640.38	12,365.47	22,114.96

32. Deferred Tax Asset / Liability

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

During the current year, the company recognized the deferred tax asset for an amount of Rs.288.52 lakhs and differential depreciation of the current financial year 2017-18. 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 DTL can be realized.

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

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
	(Rupees)	(Rupees)	(Rupees)
Opening Deferred tax Asset / (Liability)	18,77,04,083	19,26,68,957	16,85,97,988
Add:		-	-
Reversal of Deferred Tax asset/(Liability)			
DTA During the year	(2,88,52,106)	(49,64,874)	2,40,70,969
Gross Deferred tax Liability	15,88,51,977	18,77,04,083	19,26,68,957
Opening Deferred tax Asset	-	-	-
Provision for Gratuity and Compensated Absences and doubtful	-	-	-
Gross Deferred tax Asset	-	-	-
Deferred Tax Asset / (Liability)	15,88,51,977	18,77,04,083	19,26,68,957

33. Foreign Exchange Earnings

(Rupees)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
Export of Goods	-	69,63,304	29,81,27,727

34. Foreign Exchange Outflow

(Rupees)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
For Purchases	-	6,63,90,894	33,37,67,239
For Investment in Subsidiary	-	-	4,31,550
For Subsidiary maintenance	-	-	7,35,313

35. Director's Remuneration

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

(Rupees.)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
Salary & Allowances (Whole Time Director)	-	55,20,000	55,20,000

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

36. Remuneration to Auditors

(Rupees.)

Particulars.	As at 31.03.2018	As at 31.3.2017	As at 31.3.2016
Audit Fees	1,50,000/-	1,50,000/-	1,50,000/-

37. Details of Quantitative Information

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

Quantitative Information	2017-18		2016-17	
	Qty(Kg's/Ltr's)	Value (Rs)	Qty(Kg's/Ltr's)	Value (Rs)
Licensed Capacity	NA		NA	
Installed Capacity	280 TPD		280 TPD	
Finished Goods				
Bio Diesel in KG's (Inc: Residue)				
Opening Stock	45,235	22,09,158	41,55,525	22,48,55,030
Production during the Year			47,51,160	23,55,98,348
Purchased during the Year	4,189	11,102	5,50,400	2,56,31,311
Stock Transfer			-	-
Closing Stock	1,39,394	41,05,038	45,235	22,09,158
Glycerine				
Opening Stock	8,49,037	1,27,35,555	11,44,478	5,58,09,780
Production during the Year			4,40,209	1,17,60,397
Stock Transfer In & (Out)			-	-
Sales during the year	8,49,037	1,27,35,555	7,35,650	1,37,32,732
Consumed	8,49,037	1,27,35,555	-	-
Closing Stock of Glycerine	1,16,821	17,52,315	8,49,037	1,27,35,555
Rice Bran Oil Processed				
Opening Stock	-	-	3,05,145	1,67,82,975

Production during the Year			7,050	3,80,418
Stock Transfer In & (Out)				
Sales during the year	-	-	3,12,195	1,56,09,750
Sludge & Fatty			-	-
Closing Stock			-	-
Sludge & Fatty Acid Oil				
Opening Stock	2,01,953	29,18,437	1,86,036	42,14,301
Production during the Year			5,59,684	81,42,110
Stock Transfer In & (Out)				
Sales during the year	1,47,240	20,98,371	5,43,767	27,15,186
Closing Stock	54,713	8,20,066	2,01,953	29,18,437
Processed UCO				
Opening Stock	1,71,230	78,61,373	22,929	11,80,527
Production during the Year			15,21,451	6,97,23,800
Sales during the year	1,23,295	56,64,865	13,73,150	5,69,10,102
Consumed				
Closing Stock	47,935	21,96,508	1,71,230	78,61,373
Esterified Oil				
Opening Stock	-	-	30,102	15,05,100
Production during the Year			22,666	6,40,315
Sales during the year	-	-	52,768	21,45,547
Closing Stock			-	-
RAW MATERIAL CONSUMED				
Seeds				
Opening Stock	14,791	1,57,363	14,791	1,57,363
Purchased during the Year			-	-
Consumed during the year	-	-0	-	-
Closing Stock	14,791	1,57,363	14,791	1,57,363
Mutton Tallow				
Opening Stock	-	-	-	-
Purchased during the Year			-	-
Consumed during the year			-	-
Closing Stock of Mutton Tallow			-	-
Palm Stearin				
Opening Stock	18,397	8,15,163	5,23,113	1,60,74,196
Purchased during the Year			13,69,780	6,10,62,575
Consumed during the year	18,397	8,15,163	18,74,496	6,74,12,939
Closing Stock of Palm Stearin	-	-	18,397	8,15,163
Fatty Acid Oil				
Opening Stock	-	-	18,392	8,99,808
Purchased during the Year			1,52,760	57,84,188

Consumed during the year	-	-	1,71,152	97,21,598
Closing Stock of Fatty Acid Oil	-	-	-	-
Rice Bran Oil				
Opening Stock	-	-	3,62,479	1,82,72,162
Purchased during the Year			8,19,665	4,16,07,250
Stock Transfer In & (Out)			-	-
Consumed during the year			-	-
Sale during the year	-	-	11,82,144	6,58,01,848
Closing Stock of Rice Bran Oil	-	-	-	-
RBD Palm Oil				
Opening Stock	-	-	27,86,351	13,68,08,172
Purchased during the Year			78,08,845	42,79,79,704
Stock Transfer In & (Out)			-	-
Consumed during the year			1,38,660	41,60,529
Sale during the year	-	-	1,04,56,536	58,12,54,736
Closing Stock of RBD Oil			-	-
RB Crude Oil				
Opening Stock	-	-	-	-
Purchased during the Year			-	-
Stock Transfer In & (Out)			-	-
Consumed during the year			-	-
Sale during the year	-	-	-	-
Closing Stock of RB Crude Oil			-	-
Used Cooking Oil				
Opening Stock	35,579	11,92,209	2,34,651	62,36,812
Purchased during the Year		73,24,631	11,96,741	3,92,24,166
Stock Transfer In & (Out)			-	-
Consumed during the year	34,600	84,82,339	13,95,813	4,48,24,762
Sale during the year	34,600	84,82,339	-	-
Closing Stock of UCO	979	34,501	35,579	11,92,209
Crude degummed Soybean Oil				
Opening Stock	-	-	-	-
Purchased during the Year	-	-	-	-
Consumed during the year	-	-	-	-
Sale during the year	-	-	-	-
Closing Stock of CDS Oil	-	-	-	-

38. Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st, March, 2018 such parties and transactions are identified as per Accounting Standard 18

a) The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
Marvel Bio Oil FZE Sharjah, UAE	100.00 % Subsidiary
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter, Director & CFO
Mr. B. Sreedhara Reddy	Promoter & Director Administration
Mr. B. Hare Ram Balaji	Promoter & Executive Director
Mr. B. Ashok	Director
Mrs. Ashiwini Kumar Tripathi	Director
Mrs. Rohini Thondapu Reddy	Director
Mrs. Ankita Damani	Company Secretary (24.04.2017 to 22.05.2017)

b) The following are the related party transactions:

(Rupees)

Name of the Party	Relationship	Nature of Transaction	Amount	
			31.03.18	31.03.17
Mr. N. Satish Kumar	Promoter & Managing Director	Remuneration	-	19,20,000
		Vehicle lease	-	10,20,000
Mr. K. Radha Krishna	Promoter, Director & CFO	Remuneration	-	12,00,000
		Vehicle lease	-	10,20,000
Mr. B. Sreedhara Reddy	Promoter & Director Administration	Remuneration	-	12,00,000
		Vehicle lease	-	10,08,000
Mr. B.H.R. Balaji	Promoter & Executive Director	Remuneration	-	12,00,000
Mrs. G. Anupama	Company Secretary	Remuneration	-	1,53,000
Mrs. Manoranjani	Company Secretary	Remuneration	-	4,05,000
Mrs. Ankita Damani	Company Secretary	Remuneration	46,640	-

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

Note: Company applied for the closure of Marvel Bio Oil FZE Sharjah, UAE and awaiting for the closure certificate from concern authorities.

39. Prior Period Items: Nil

40. Earning Per Share

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

(Rupees)

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
Profit available for the equity share holders (Rs)	(133,91,85,362)	(75,38,42,124)	(5,01,19,104)
No. of shares outstanding for EPS-Basis	5.89.93,288	5.89.93,288	5.89.93,288
No. of shares outstanding of EPS-Diluted	5.89.93,288	5.89.93,288	5.89.93,288
Basic	(22.70)	(12.78)	(0.85)
Diluted	(22.70)	(12.78)	(0.85)

41. Confirmations are not obtained from debtors / creditors as to the balances receivable / payable to them as at year ended 31st March, 2018.

42. Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs. 1,70,00,000/- as on 31.03.2018 (Previous year ended 31.3.2017 is Rs. 8,05,89,274/-) to bank, in respect of the guarantees given by the banks in favor of The President of India, Government of India, acting through the Telegraph Authority, Indian Railways Organization for Alternative Fuels (IROAF).

43. Letter of Credits

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

44. During the financial year 2016-17 itself the loan accounts held by the company are considered as Non-Performing Assets by the lender banks, the same stand has been continued for the financial year 2017-18 too, Further an amount of Rs.2,307.64 lakhs is due to banks on account of Interest on Term Loans and working capital which is accounted on the basis of accrual method of accounting considering prudence concept.

45. Details of Security:

S.No	Security	Particulars	Charge Owner
1	Principal	<p><u>Working Capital Limits</u> First pari passu charge on current assets by way of hypothecation of stocks and book debts other than current assets of ISP Division which are exclusively charged to BOI. (as per estimates).</p> <p>Second pari passu charge on entire fixed assets of the company both present and future except assets exclusively charged to lenders</p>	<p>Bank of India</p> <p>Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank</p>

2		<p><u>Term Loans/WCTLs/FITLs</u> First pari passu charge on the net block by way of equitable mortgage of land and building (on 33 years lease from APIIC Ltd, Government of Andhra Pradesh) at Vizag and hypothecation of plant and machinery, excluding flats and vehicles exclusively financed by Bank of India at Vizag and Equitable Mortgage of Land and Building, Hypothecation of Plant & Machinery pertaining to existing plant at Nalgonda</p> <p>Second pari passu charge on entire current assets of the company both present and future</p> <p><u>Home Loans</u> Equitable Mortgage of 2 Flats Nos. A 5 and B 5, 5th floor, Samrat Complex, Saifabad, Hyderabad owned by the company now proposed to be transferred to SOSL</p>	<p>Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank</p> <p>Bank of India</p>
3		<p><u>Mortgage Loan</u> Equitable Mortgage of Flat No. A-3, Municipal No.5-9-12/A/3/1 admeasuring 1961.27 sq.ft. along with undivided share of land 30.30 sq. yards on 3rd floor in Municipal No. 5-9-12 and 5-9-12/1 in Samrat Complex situate at Saifabad, Hyderabad, owned by the company and proposed to be transferred to SOSL@@</p> <p><u>Autofin Loans</u> Hypothecation of vehicles – 2 Mahindra Cars.</p>	<p>Bank of India</p> <p>Bank of India</p>
1.	Collateral	<p>Extension of equitable mortgage of three flats originally mortgaged as principal security in two Home Loan Accounts and Mortgage Loan Account as detailed above with exclusively charged to BOI.</p>	<p>Bank of India</p>
2.		<p>EQM of open land admeasuring 4477 SqYds (non-agricultural) in S.No. 213/B (aa) & 213/D (ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr N Satish Kumar Doc No 4756/2008</p>	<p>Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank</p>
3.		<p>EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(aa) & 213/D(ee) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr B Sreedhar Reddy Doc No 4755/2008</p>	<p>Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank</p>
4.		<p>EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(a) & 213/D(e) at Chitukul Village, Patancheru Mandal, Medak District owned by Mr K Radha Krishna Doc No 4751/2008</p>	<p>Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank</p>

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

46. Beginning April, 2017; the Company has for the first time adopted the Indian Accounting Standards (Ind AS) with a transition date of April, 2016 and accordingly these financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS prescribed under Section 133 of Companies Act, 2013 read with the relevant rules issued thereunder.
47. Previous period figures have been regrouped, wherever necessary, for the purpose of comparison.
48. During the year the management of the company has decided to write-off the trade receivables an amount of Rs. 96.96 Crores which are more than 18 months older. During the year the management of the company has set-off an amount of Rs. 2.60 Crores of trade payables on account of non supplies of goods.
49. The lenders have referred the matter to NCLT for resolution of debt, but the said petition was under progress.
50. Company received the showcase notice from excise department for the same company decided to approach honourable high court to justice
51. The company incurred losses during the year and also in previous years. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded. As a result there is negative net worth as on 31st March 2018.
52. 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. 1,856.22 lakhs. The damages are covered with the insurance and the petition for the claim of such losses has already been filed with the insurance company. The said claim of the company is pending for approval since past 3 years with the National Insurance Company Limited.
53. The figures have been rounded off to the nearest rupee.

As Per Our Report of Even Date
For P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
FRN: 016016S

For And On Behalf of the Board

For Southern Online Biotechnologies Limited

Sd/-
M. NAVEEN
Partner
Membership No: 237316
Place: Hyderabad
Date: May 21st, 2018

Sd/-
N. SATISH KUMAR
Managing Director

Sd/-
K. RADHA KRISHNA
Whole Time Director & CFO

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 500004

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

Form MGT-11 Proxy form

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

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

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

1.Name& Address : _____

Email ID: _____ Signature
Or failing him / her

2.Name& Address : _____

Email ID: _____ Signature
Or failing him / her

3.Name& Address : _____

Email ID: _____ Signature
Or failing him / her

or failing him/her and whose signatures are appended below as my / our proxy to attend and vote, in case of a poll, for me / us and on my / our behalf at the 20th Annual General Meeting of the Company, to be held on Saturday, 29th day of September, 2018 at 10.00 A.M. at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 080 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, 2018		
2	To appoint a Director in place of Mr. B.Sreedhara Reddy, who retires by rotation and being eligible offers himself for re-appointment.		
3	Re-Appointment of Mrs. T Rohini Reddy As Independent Director of the Company		
4	Re-Appointment of Mr. Bachala Ashok as Independent Director of the Company		
5	Re-Appointment of Mr. K Radha Krishna as Whole-Time Director & CFO of the Company		
6	Appointment of Mr. Bommu Prathap as Independent Director of the Company		
7	Re-Appointment of Mr. B.Sreedhar Reddy(DIN:01302512) at whole time director of the company.		

*Applicable for investors holding shares in Electronic form.

Signed this day of 2018

Signature of shareholder : _____

Signature of Proxy holder(s): _____

Note:

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

Affix
Revenue
Stamp



BLANK

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 500004

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

ATTENDANCE SLIP

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

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

No. of shares held: _____

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

I hereby record my presence at the 20th Annual General Meeting of the Southern Online Bio Technologies Ltd., at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 080 on Saturday, the 29th day of September, 2018 at 10.00 A.M.

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

Note:

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

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, 2018			
2	To appoint a Director in place of Mr. B. Sreedhara Reddy, who retires by rotation and being eligible offers himself for re-appointment.			
3	Re-Appointment of Mrs. T Rohini Reddy As Independent Director of the Company			
4	Re-Appointment of Mr. Bachala Ashok as Independent Director of the Company			
5	Re-appointment of Mr. K Radha Krishna as Whole-Time Director & CFO of the Company			
6	Appointment of Mr. Bommur Prathap as Independent Director of the Company			
7	Re-Appointment of Mr. B. Sreedhar Reddy (DIN:01302512) at whole time director of the company.			

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



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



If undelivered please return to:

SOUTHERN ONLINE BIO TECHNOLOGIES LTD

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

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

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