



# SOUTHERN ONLINE BIOTECHNOLOGIES LIMITED

NOTICE PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

## NOTICE OF POSTAL BALLOT

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, read with Section 110 of the Companies Act, 2013 and the Companies (passing of the Resolution by Postal Ballot) Rules 2011, to transact the following special business by the members of M/s Southern Online Biotechnologies Limited by passing resolution through Postal Ballot.

### **1. ISSUE OF EQUITY SHARES ON PREFERENTIAL BASIS TO THE PROMOTERS AND THE OTHERS:**

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

“RESOLVED THAT in terms of Section 81(1A) of the Companies Act, 1956 read with Section 62(1) of the Companies Act, 2013 and all other applicable provisions, if any, (including any statutory modification(s) or re-enactments thereof for the time being in force), Memorandum and Articles of Association of the Company, Listing Agreement entered into by the Company with Stock Exchanges where the Company's shares are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulation 2009, as may be applicable to the preferential issue of Equity shares and other applicable regulations of SEBI, if any and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any committee thereof for the time being to which all or any of the powers hereby conferred on the Board by this resolution, have been delegated) and subject to such, consents and approvals of SEBI, Stock Exchanges, Government of India, or such other bodies or authorities as may be required by law and as may be necessary and subject to such conditions and modifications as may be imposed upon and accepted by the Board while granting such consents and approvals and which may be agreed to by or any other authorities as may be necessary for that purpose, the consent of the members of the company be and is hereby accorded to the Board to offer, issue, and allot in one or more tranches up to 77,15,414 Equity shares of Rs.10/- each in such manner and on such price, terms and conditions as may be determined by the Board in accordance with the Securities & Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations 2009 (including any amendments thereto or re-enactment thereof) or other provisions of law as may be prevailing at the time, provided that the price (inclusive of premium) of the equity shares so issued shall not be less than the minimum price arrived at in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations.”

“RESOLVED FURTHER THAT the pricing of the Equity Shares to be allotted will be in accordance with the SEBI (ICDR) Regulations with reference to the 'Relevant Date.’ The “relevant date” for the purpose of pricing of equity share is 10.04.2014 i.e., thirty days prior to the date on which the results of Postal Ballot would be declared in terms of Section 192A (2) read with Section 81(1A) of the Companies Act, 1956. (Postal Ballot results to be declared on 10.05.2014).”

“RESOLVED THAT the new equity shares issued shall rank pari-passu with the existing Equity Shares of the Company in all respects and that the equity shares so allotted during the financial year shall be entitled to the dividend, if any, declared including other corporate benefits, if any, for which the book closure or the Record Date falls subsequent to the allotment of Equity Shares.”

“RESOLVED FURTHER THAT the aforesaid equity shares allotted in terms of this resolution shall be subject to lock-in requirements as per the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 and any amendment thereto from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to modify and decide the price, terms and conditions of the Issue of equity shares, if necessary, keeping in view the provisions of various Acts and Guidelines in force from time to time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard to implementation of this Resolution, issue and allotment of equity shares and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Company does apply for listing of the new equity shares and does make an application to the Depositories for admission of the new equity shares.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions.”

## **2. INCREASE IN BORROWING POWERS OF THE COMPANY UP TO Rs. 459 CRORES**

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

RESOLVED THAT pursuant to Section 180 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which expression shall be deemed to include a committee of Directors duly authorized in this behalf), to borrow from time to time all such sums of money as they deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the bankers in the ordinary course of business) exceeds the aggregate of the Paid up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount which may be borrowed by the Board of Directors shall not exceed Rs.459 Crores (Rupees Four Hundred Fifty Nine Crores only).

“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution”.

For and on behalf of the Board  
Southern Online Biotechnologies Limited

Sd/-  
G Anupama  
Company Secretary

Place: Hyderabad  
Date : 27.03.2014

## **ANNEXURE TO THE RESOLUTION**

### **Explanatory Statement Pursuant to section 102 of the Companies Act, 2013**

#### **Item no 1:**

The special resolution as mentioned under item 1 proposes to authorize the Board of directors to issue and allot up to 77,15,414 equity shares to promoters and others.

Information pertaining to the proposed preferential allotment in terms of the Chapter VII of SEBI (ICDR) Regulations, 2009 and subsequent amendments there to are stated below:

#### **1. Object of the Issue through preferential Allotment:**

The funds raised through preferential allotment shall be converted into equity share capital as per the Lenders condition towards the enhancement of financial limits.

#### **2. Pricing of the Issue and Relevant Date:**

The equity shares will be issued at a price (including premium) not lower than the minimum price as stipulated in Chapter VII of SEBI (ICDR) Regulations (Regulation 76).

“Relevant Date” in relation to the issue of warrants in accordance with the SEBI (ICDR) Regulations, would be April 10, 2014 being the date 30 days prior to the date of declaration of results of postal ballot.

A Certificate will be obtained from the Statutory Auditors / Practicing Company secretary confirming the minimum price for the preferential issue as per Preferential Issue Guidelines in Chapter VII of SEBI (ICDR) Regulations, 2009 and showing the calculation thereof and the same will also be made available for inspection at the Registered Office of the Company.

**3. The proposal of the promoters, or their associates and relatives, directors/key managerial persons of the issuer to subscribe to the offer:**

The proposed allottees would fall under Promoter and Public categories as mentioned under point No.4. The said proposed allottees propose to subscribe for the above said equity shares. Out of the total issue of 77,15,414 equity shares, the promoters or their associates and relatives, directors/key managerial persons of the company are subscribing to the extent of 17,87,360 Equity shares. The requirement of issue of securities on preferential basis is necessitated to fulfill the objects as mentioned in point No.1.

**4. Identity of the natural persons who are the ultimate beneficial owners of the shares proposed to be allotted and/or who ultimately control; the proposed allottees and percentage or pre and post preferential issue capital that may be held by them:**

List of proposed allottees: All the proposed allottees as furnished in the table are the ultimate beneficial owners of the shares.

S.No.	Name of the proposed allottee and ultimate beneficial owner	Pre issue holding		Equity shares proposed to be allotted	Post issue holding	
		Shares	% of shares		Shares	% of shares
	<b>PROMOTER CATEGORY (A)</b>					
1	N Satish Kumar	52,71,292	10.28%	7,56,360	60,27,652	10.21%
2	K Radha Krishna	19,73,657	3.85%	5,61,000	25,34,657	4.30%
3	B Sreedhara Reddy	16,52,157	3.22%	4,70,000	21,22,157	3.60%
	<b>SUB TOTAL (A)</b>	<b>88,97,106</b>	<b>17.35%</b>	<b>17,87,360</b>	<b>1,06,84,466</b>	<b>18.11%</b>
	<b>NON-PROMOTER CATEGORY (B)</b>					
4	Advait B.V	-	-	43,23,267	43,23,267	7.32%
5	Reginald Pereira Kamath	-	-	6,19,701	6,19,701	1.05%
6	M Surendra	9,700	0.02%	2,49,993	2,59,693	0.44%
7	M Anupama	32,000	0.06%	1,69,993	2,01,993	0.34%
8	Sanjay Prabhu Chittore	-	-	1,00,000	1,00,000	0.17%
9	Khuja Marketing Pvt Ltd	-	-	75,000	75,000	0.13%
10	S Sarveswara Reddy	-	-	50,000	50,000	0.08%
11	Amita Thakur	1,11,100	0.22%	50,000	1,61,100	0.27%
12	Priyanka Ratan	-	-	40,000	40,000	0.07%
13	Ritesh Kumar	9,400	0.02%	40,000	49,400	0.08%
14	P Shanthi	5,500	0.01%	30,000	35,500	0.06%
15	Gayatri Jonnalagadda	-	-	30,000	30,000	0.05%
16	U Anitha	-	-	30,000	30,000	0.05%
17	Manda Ramalinga Reddy	-	-	20,100	20,100	0.03%
18	Neeraj Agarwal	-	-	20,000	20,000	0.03%
19	Pallavi Garlapati	-	-	20,000	20,000	0.03%
20	Anjali Gupta	-	-	20,000	20,000	0.03%
21	M Anitha	-	-	20,000	20,000	0.03%
22	Arun Kumar	-	-	10,000	10,000	0.02%
23	Pyarasani Damodar	-	-	5,000	5,000	-
24	S Ramamurthy	2,000	-	5,000	7,000	0.01%
	<b>SUB TOTAL (B)</b>	<b>1,69,700</b>	<b>0.33%</b>	<b>59,28,054</b>	<b>60,97,754</b>	<b>10.34%</b>
	<b>GRAND TOTAL (A+B)</b>	<b>90,66,806</b>	<b>17.68%</b>	<b>77,15,414</b>	<b>1,67,82,220</b>	<b>28.45%</b>

**5. Shareholding pattern before and after preferential issue of the capital would be as follows:**

S.No.	Category	Pre Issue Holding Details		Post Issue Holding Details	
		No. of Shares	% of Shares	No. of Shares	% of Shares
<b>A</b>	<b>Promoters' Share Holding</b>				
1.	Indian Promoters	97,67,721	19.05%	1,15,55,081	19.59%
2.	Persons acting in concert / Promoters Associates	-	-	-	-
	<b>SUB-TOTAL (A)</b>	<b>97,67,721</b>	<b>19.05%</b>	<b>1,15,55,081</b>	<b>19.59%</b>
<b>B.</b>	<b>Public Share Holding</b>				
1	Institutions				
a	Foreign Institutional Investors	73,69,450	14.37%	73,69,450	12.49%
2	Non- Institutions				
a	Bodies Corporate	67,36,452	13.14%	1,11,34,719	18.87%
b	Individuals	2,34,40,277	45.71%	2,43,50,363	41.28%
c	NRI's / OCB's / Foreign Nationals	38,01,843	7.41%	44,21,544	7.50%
d	Clearing Members	1,62,131	0.32%	1,62,131	0.27%
e	Any others	-	-	-	-
	<b>SUB-TOTAL (B)</b>	<b>4,15,10,153</b>	<b>80.95%</b>	<b>4,74,38,207</b>	<b>80.41%</b>
	<b>Grand Total</b>	<b>5,12,77,874</b>	<b>100.00%</b>	<b>5,89,93,288</b>	<b>100.00%</b>

**6. Proposed time within which the allotment shall be completed:**

The allotment of equity shares shall be completed, within a period of 15 days from the date of passing of the resolution by the shareholders provided, that where the allotment is pending on account of pendency of any approval from any regulatory authority including SEBI, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

**7. Approvals:**

The Company will take necessary steps to obtain the required approvals from the Stock Exchanges, SEBI, or any other regulatory agency as may be applicable, for the proposed preferential issue of equity shares.

**8. SEBI Takeover code:**

In the present case none of the proposed allottees would attract SEBI Takeover Code and therefore are not under obligation to give open offer to the public except making certain disclosures to Stock Exchanges.

**9. Holding of shares in demat form, non disposal of shares by the proposed allottees and lock-in period of shares:**

The entire shareholding of the proposed allottees in the company, if any, is held by them in dematerialized form. The entire pre preferential allotment shareholding of such allottees shall be under lock-in from the relevant date up to a period of six months from the date of trading approval from all the stock exchanges where the securities of the Company are listed. The shareholder who has sold their shares during the six months period prior to the relevant date shall not be eligible for allotment of equity shares on preferential basis. The proposed shareholders have Permanent Account Number.

**10. Lock-in Period:**

The equity shares proposed to be allotted shall be subject to 'lock-in' for such a period as the case may be from the date of trading approval from all the stock exchanges where the securities of the Company are listed as per Clause 78 of the SEBI (ICDR) Regulations, 2009.

### **11. Auditor Certificate:**

Certificate from the Statutory Auditors / Practicing Company Secretary confirming that the proposed issue of equity shares is in accordance with the SEBI (ICDR) Regulations, 2009 will be made available for inspection at the Registered Office of the Company on any working day.

### **12. Control:**

As a result of the proposed preferential allotment of equity shares, there will be no change in the composition of the Board of Directors and control of the Company.

### **13. Undertakings:**

In terms of SEBI (ICDR) Regulations, 2009 issuer hereby undertakes that:

- a) It shall re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.
- b) If the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continued to be locked in till the time such amount is paid by the allottees.

### **14. Compliances:**

The company has complied with the requirement of listing agreement including clause 40A i.e., maintaining a minimum of 25% of the paidup capital in the hands of the public.

### **15. Approval under the Companies Act:**

Section 81(1A) of the Companies Act, 1956 read with section 62(1) of the Companies Act, 2013 provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by further issue and allotment of shares, such shares shall be first offered to the existing shareholders of the Company in the manner laid down in the said section, unless the shareholders decide otherwise in General Meeting / Postal Ballot by way of special resolution.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of section 81(1A) of the Companies Act, 1956 read with section 62(1) of the Companies Act, 2013 and all other applicable provisions, SEBI Guidelines or regulations and the provisions of the Listing Agreement with the Stock Exchanges for authorizing the Board to offer, issue and allot equity shares as stated in the resolution, which would result in a further issuance of securities of the Company to the promoters and others on a preferential allotment basis, in such form, manner and upon such terms and conditions as the Board may in its absolute discretion deem fit.

The Board of Directors recommends the passing of the above resolution as a Special Resolution as set out in the Notice.

None of the Directors except Mr N Satish Kumar, Mr K Radha Krishna, Mr B Sreedhara Reddy and Mr BHR Balaji, directors or key managerial personnel of the Company and their relatives are concerned or interested in the above said resolution.

### **Item No.2:**

In light of the applicability of new provisions of Companies Act, 2013 the company is required to obtain shareholders approval pursuant to section 180 of the Companies Act, 2013 for increase in borrowing powers in excess of paid up capital and free reserves of the company. However, the company had obtained shareholders approval through postal ballot dated 11.06.2013 for increase in borrowing powers up to Rs.459 crores pursuant to section 293(1)(d) of the Companies Act, 1956 and the same is reconsidered in accordance with new provisions of Companies Act, 2013

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

### **PROCESS OF POSTAL BALLOT:**

Mr. Vivek Surana, Practicing Company Secretary, Hyderabad bearing C.P. No. 12901 has been appointed as scrutinizer, for conducting the postal ballot process.

The postal ballot together with the relevant instructions is enclosed. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the form duly completed in all respects, in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before 09.05.2014.

After completion of the scrutiny, the scrutinizer will submit his report to the Chairman, on 10.05.2014 and the results of the above postal ballot will be announced by the Chairman on 10.05.2014 at the registered office of the company.

For and on behalf of the Board  
Southern Online Biotechnologies Limited

Sd/-  
G Anupama  
Company Secretary

Place: Hyderabad  
Date : 27.03.2014

### **INSTRUCTIONS FOR E-VOTING**

The Company is pleased to offer E-Voting facility as an alternate, for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-Voting is optional. The procedure and instructions for the same are as follows:

- i. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Now click on "Shareholders" to cast your votes
- iii. Now, select the Electronic Voting Sequence Number - "EVSN" alongwith "Southern Online Bio Technologies Limited" from the drop down menu and click on "SUBMIT"
- iv. Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Folio Number registered with the Company
Password	Your Unique password as contained in the email/ postal Ballot notice.
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department

\*Members who have not updated their PAN with the Company / Depository Participant are requested to use default number "ABCDE1234F" in the PAN field or use physical Postal Ballot Form for voting.

- v. After entering these details appropriately, click on "SUBMIT" tab.
- vi. Members holding shares in Physical form will then reach directly to the voting screen.
- vii. Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is to be also used by the Demat holders for voting for resolution 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.
- viii. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- ix. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- x. For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Postal Ballot Notice.
- xi. On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- xii. Click on the Resolution File Link if you wish to view the entire Postal Ballot Notice.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xv. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xvi. In case you have any queries or issues regarding e-voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- xvii. Members have option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-a-versa. However, in case members cast their vote both via physical ballot and e-voting, then voting through physical ballot shall prevail and voting done by e-Voting shall be treated as invalid.
- Xviii. E-voting period starts from April 9th 2014 at 10.00 am and ends on May 9th 2014 at 6.00 pm.