

# **16th Annual Report 2013-2014**



**SOUTHERN ONLINE BIO TECHNOLOGIES LTD**

Smart Solutions and Eco Friendly



SBT Biodiesel Plant - Visakhapatnam



SBT Biodiesel Plant - Visakhapatnam

## CORPORATE INFORMATION

<b>Board of Directors</b>	<p>: <b>Ms. T. Rohini Reddy</b>, (DIN: 00638514) Non Executive Chairman &amp; Independent Director</p> <p><b>Mr. N.Satish Kumar</b>, (DIN: 00552358) Managing Director</p> <p><b>Mr. K.Radha Krishna</b>, (DIN: 01585940) Director - Finance &amp; CFO</p> <p><b>Mr. BHR. Balaji</b>, (DIN: 00552538) Executive Director</p> <p><b>Mr. B.Sreedhara Reddy</b>, (DIN: 01302512) Director - Administration</p> <p><b>Mr. Ashiwini Kumar Tripathi</b>, (DIN: 00388913) Non Executive &amp; Independent Director</p> <p><b>Mr.Kishor Shah</b>, (DIN: 00170502) Non Executive &amp; Independent Director</p> <p><b>Mr. Bachala Ashok</b>, (DIN: 06856936) Non Executive &amp; Independent Director</p> <p><b>Mr. Rajkumar Singh Chouhan</b>, (DIN: 06838447) Nominee Director</p>
<b>Company Secretary</b>	: <b>Ms G Anupama</b>
<b>Regd. Office</b>	<p>: # 8-3-833/173, Kamalapuri Colony, Phase- II, Hyderabad-73 Tel: (040) 4912 1999, Fax: (040) 4912 1998 Website: <a href="http://www.sol.net.in">www.sol.net.in</a> Email: <a href="mailto:info@sol.net.in">info@sol.net.in</a></p>
<b>Audit Committee</b>	: <ol style="list-style-type: none"> <li>1. Ms T Rohini Reddy, Chairperson</li> <li>2. Mr Bachala Ashok, Member</li> <li>3. Mr Ashiwini Kumar Tripathi, Member</li> </ol>
<b>Nomination and Remuneration Committee</b>	: <ol style="list-style-type: none"> <li>1. Ms T Rohini Reddy, Chairperson</li> <li>2. Mr Bachala Ashok, Member</li> <li>3. Mr Kishor Shah, Member</li> </ol>
<b>Stakeholders Relationship Committee</b>	: <ol style="list-style-type: none"> <li>1. Ms T Rohini Reddy, Chairperson</li> <li>2. Mr N Satish Kumar, Member</li> <li>3. Mr K Radha Krishna, Member</li> </ol>
<b>Auditors</b>	: <b>M/s.P. Murali &amp; Co.,</b> Chartered Accountants 6-3-655/2/3, Somajiguda, Hyderabad - 500 082
<b>Registrars&amp; ShareTransfer Agents</b>	: <b>M/s. Aarthi Consultants Pvt. Ltd.</b> 1-2-285, Domalguda, Hyderabad-29 Tel: (040) 27642217 / 27638111, Fax: (040) 27632184 Email: <a href="mailto:info@aarthiconsultants.com">info@aarthiconsultants.com</a>

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**Bankers****: Bank of India**

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

**UCO Bank**

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

**State Bank of Hyderabad**

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

**Punjab National Bank**

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

**Listed at**

Bombay Stock Exchange Limited

**Demat ISIN Number in NSDL & CDSL**

INE 371B01015

**Investor E-mail id:**

investors@sol.net.in

**Corporate Identification Number**

L72900AP1998PLC030463

## NOTICE

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

### **ORDINARY BUSINESS:**

#### **Item no.1**

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

#### **Item no. 2**

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

#### **Item no. 3**

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

#### **Item no.4**

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

### **SPECIAL BUSINESS:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

viii. Video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.

b) A new Clause 23(d) is being inserted after Article 23 (c) which is as under:

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

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

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

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

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

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

**"31 (g) Voting by members through electronic mode**

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

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

**Appointment of Chairman/ Managing Director/ Chief Executive Officer**

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

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

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

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

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

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

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

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

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

Place : Hyderabad  
Date :14.08.2014

**G Anupama**  
Company Secretary

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**NOTES:**

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

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

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

#### 16. Voting through electronic means

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

#### Instructions for e-voting

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

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

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN*</b>	<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"> <li>Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field.</li> <li>Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL client id. For example: CDSL Account holder name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234'. NSDL Account holder name is Rahul Mishra and DP ID. is IN300000 and client ID 12345678 then default value of PAN is 'RA123445678'.</li> </ul>
<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details#</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio no. or client id.</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in Physical form will then reach directly to the voting screen.
- (ix) Members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.  
If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (x) Click on the relevant EVSN for the "Southern Online Bio Technologies Limited" on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option 'YES/NO' for voting. Enter the number of shares (which represents number of votes) under YES/NO.
- (xii) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Notice of the Annual General Meeting.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) Note for Non-Individual Shareholders & Custodians: