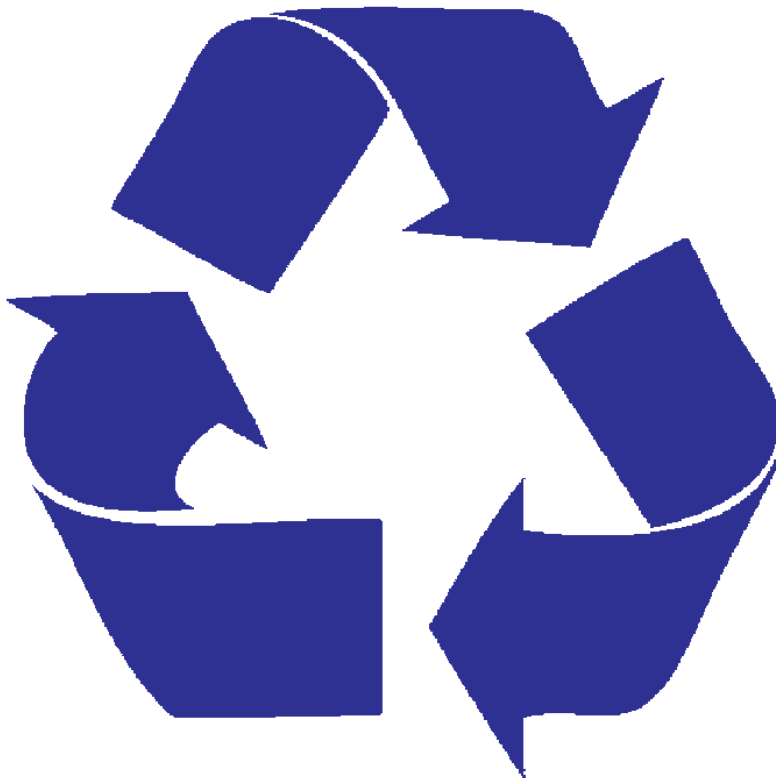


17th Annual Report 2014-2015



SOUTHERN ONLINE BIO TECHNOLOGIES LTD

Smart Solutions and Eco Friendly

CORPORATE INFORMATION

BOARD OF DIRECTORS:

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

COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. G.Anupama

REGISTERED OFFICE:

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

BANKERS

Bank of India

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

UCO Bank

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

State Bank of Hyderabad

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

Punjab National Bank

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

STATUTORY AUDITORS:

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

WORKS

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

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

REGISTRAR & SHARE TRANSFER AGENTS

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

AUDIT COMMITTEE:

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

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

INDEPENDENT DIRECTORS COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

LISTED AT

BSE Limited.

DEMAT ISIN NUMBER IN NSDL& CDSL:

INE 371B01015

WEBSITE

www.sol.net.in

INVESTOR E-MAIL ID

investors@sol.net.in

CORPORATE IDENTIFICATION NUMBER

L72900TG1998PLC030463

NOTICE TO MEMBERS

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

"**RESOLVED THAT** Mr. G Viswanath (DIN: 07192232), who was appointed as Nominee Director (Bank of India) of the Company by the Board of Directors with effect from 27.05.2015, in terms of section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Non-executive Nominee Director of the Company not liable to retire by rotation at the Annual General Meeting."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013 and pursuant to Articles of Association of the Company, the consent of the Company be and is hereby

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board of Directors

Place : Hyderabad
Date : 07.08.2015

Sd/-
G Anupama
Company Secretary

Notes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

iii) User-ID	For Members holding shares in Demat Form:- a) For CDSL:- 16 digits beneficiary ID b) For NSDL:- 8 Character DPID followed by 8 Digits Client ID For Members holding shares in Physical Form:- c) Folio Number registered with the Company
iv) Next enter the Image Verification as displayed and Click on Login.	
v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.	

vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ◆ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. ◆ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	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.
vii) Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. ◆ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the folio number or client id in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

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

In case of members receiving the physical copy

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