



**15th
Annual Report
2012-2013**

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SOUTHERN ONLINE BIO TECHNOLOGIES LTD

Smart Solutions and Eco Friendly



ISP Division - Hyderabad



SBT Biodiesel Plant - Samsthan Narayanpur (Village & Mandal), Nalgonda Dist.,

Board of Directors	:	Mr. Y. Anand Swaroop Mr. N. Satish Kumar Mr. K. Radha Krishna Mr. B.H.R. Balaji Mr. B. Sreedhara Reddy Ms. T. Rohini Reddy Mr. Ashiwini Kumar Tripathi Mr. Kishor Shah Mr. Christian A Schmidt	Chairman Managing Director Director - Finance Executive Director Director - Admin. Director Director Director Director
Company Secretary	:	Ms G Anupama	
Regd. Office	:	3A, 3rd Floor, Samrat Complex, Saifabad, Hyderabad-04 Tel: (040) 2324 1999 Fax: (040) 2324 1444 Website: www.sol.net.in Email: info@sol.net.in	
Auditors	:	M/s.P. Murali & Co., Chartered Accountants 6-3-655/2/3, Somajiguda Hyderabad - 500 082	
Registrars& 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	
Bankers	:	Bank of India Banjara HillsBranch Chandra Apartments, Road No.7, 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



NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of the Company will be held on Monday the 30th September 2013 at 10:30 a.m at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500030 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March 2013 and Audited Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report.
2. To appoint a Director in place of Mr Y Anand Swaroop, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms T Rohini Reddy who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. P Murali & Co., Chartered Accountants, Hyderabad as Auditors of the Company and to fix their remuneration.

On behalf of the Board

Place : Hyderabad

N. Satish Kumar

Date : 22.08.2013

Managing Director

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.

2. An instrument appointing proxy to be effective must be lodged at the Registered Office of the Company at least 48 hours before the meeting.
3. The Register of Members / Register of Beneficiaries and Share Transfer Books of the Company will remain closed from 23rd September 2013 to 27th September 2013 (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. Section 109A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the company.



Therefore, shareholders willing to avail this facility may make nomination in form 2B.

9. 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.
10. As part of Green Initiative in corporate governance the Ministry of Corporate Affairs (MCA), Government of India vide its circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Members who have not registered their email address with the Company can now register the same by submitting duly filled in E-communication registration form attached at the end of this report. The members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company who have registered such email address with Depository participants can receive the communication in physical form, upon request.
11. At the ensuing Annual General Meeting, Mr Y Anand Swaroop and Ms T Rohini Reddy retire by rotation and being

eligible offered themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, brief profile of each of these directors is given below:

- A. **Mr Y Anand Swaroop**, born in 1965, is a graduate in Mechanical Engineering from Osmania University, MBA and M Phil in Economics from London School of Economics.

Mr Anand Swaroop has more than 25 years of IT Sector Experience and has proven his abilities in Various Capacities. He has in depth knowledge in IT Market, its potential. His knowledge, experience and relations help our Company manifold. The Board is of the opinion that his appointment as director will be in the best interest of the Company.

- B. **Ms T Rohini Reddy**, is a Post Graduate in M.Sc (Bio Technology) & M.Tech. (Bio Technology) from JNT University and pursuing PhD in Bio Technology in JNT University Hyderabad. She is currently heading Bio Technology department at CMR college of Engineering and 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.

On behalf of the Board

Place : Hyderabad
Date : 22.08.2013

N. Satish Kumar
Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Balance Sheet, Profit & Loss Account and Cash Flow Statement for the financial year ended 31st March, 2013.

Financial Results

The highlights of the financial results for the year under review along with the comparative figures for the previous year are as follows: (Rs. in Lakhs)

Particulars	2012 - 13	2011 - 12
Total Income	14334.61	9151.22
Operating Profit / Loss	(332.48)	(2650.94)
Less: Depreciation and amortization expense	271.86	708.26
Less: Provision for Tax	-	-
Net Loss (after deferred tax assets provision)	(962.09)	(3590.99)

Review and Prospects

The total revenue of the Company for the financial year ended 31st March, 2013 is Rs.14334.61 Lakhs as compared to the previous year's total revenue of Rs 9151.22 Lakhs. During this financial year the Company has incurred a net loss of Rs. 962.09 Lakhs as against the previous year's net loss of Rs 3590.99 Lakhs (after deferred tax assets provision). The net loss incurred is due to very low average capacity utilisation and non operations because of non availability of the sufficient working capital and also delay in getting working capital limits. At present the request for required additional working capital enhancement from all the consortium banks (Bank of India, State Bank of Hyderabad, Punjab National bank and UCO Bank) is under process.

The Company's Products / Services

The Company has been providing a wide spectrum of services, which includes basic services like Internet access, E-mail etc. and value added services such as Add on hours.

The Company presently provides Internet Services as a Licensed ISP. The Company's services include the following:

- Server Co-Location
- Leased Line services (Terrestrial and RF links)
- Broadband Services
- Networking Solutions
- Web Hosting Services

Biodiesel Units

Your Company has two Biodiesel Units

- 1 One is at Samsthan Narayanpur Village & Mandal, Nalgonda District with 30,000 Liters per day capacity.
2. The other unit is at APIIC-SEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam with 2,50,000 Liters per day capacity.

The Company has been supplying biodiesel to various well reputed customers like Kirloskar Oil Engines, Panama Petro Chem,

Ipsa Texchem, Sovino foods Pvt Ltd, Real Bakers Pvt Ltd, Anand foods Pvt Ltd, Parle group, Evergreen Energy Inc., Witmans Industries, Biking Foods Pvt Ltd, Jubilant Life Sciences, Paramount Chemicals, Google colors, Hotel Radisson Blu, Hotel Marriott and other traders etc

Plant at Vizag

As stated earlier the plant is all set for production at its optimum capacity but the plant at Visakhapatnam was shut down due to major modification and up gradation of the technology till January 2013. The Company has exported 3000 Tonnes of Processed Used Cooking Oil from this plant.

Plant at Tondiarpet, Chennai.

Company has started setting up and establishment of Biodiesel plant for Indian Railways Organization for Alternate Fuels (IROAF), Ministry of Railways and it is under implementation.

Enhancement of Credit Facilities from Consortium Banks

During the year working capital was enhanced from Rs 22.65 crores to Rs 35.00 crores and also got additional sanction of non fund based limits to the tune of Rs 36.00 crores from all the consortium banks (Bank of India - lead banker, State Bank of Hyderabad, Punjab National Bank and UCO Bank.)

Directors

Pursuant to Article 48 of the Articles of Association of the Company, Mr Y Anand Swaroop and Ms T Rohini Reddy Directors, whose period of office is determined to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Corporate Governance

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

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- i. In the preparation of the annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed and there are no material departures.
- ii. We have selected appropriate accounting policies and applied them consistently and have 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 as on 31st March 2013 and the loss of the company for the financial year ended 31st March 2013.
- iii. We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and



- iv. We have prepared the annual accounts for the financial year ended 31st March, 2013 on going concern basis.

Auditors

M/s. P. Murali & Co., Chartered Accountants, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

Cost Auditor

“Pursuant to the provisions of Section 233B of the Companies Act 1956 and with the approval of Central Government Ms Kandala Venkata Naga Lavanya, bearing the Member ship no. 31069 of the Institute of Cost Accountants of India, a practising Cost and Management Accountant has been appointed as the Cost Auditor to conduct the audit of cost records of Bio Diesel products for the ended 31st March 2013 for the first time. The due date of filing the cost auditor reports for the year ended 31st March 2013 is 30th September 2013.

The board of directors re-appointed Ms Lavanya as the Cost Auditor for conducting the Cost Audit for the financial year 2013-14. Subject to the compliance with all the requirements as stipulated in circular no. 15/2011 dated 11th April 2011 and 36/2012 dated 6th November 2012 issued by the MCA, the audit committee of directors recommended her re-appointment.

The Company has also received a letter from the Cost Auditor, stating that the appointment, if made, will be within the limits prescribed under section 224(1B) of the Companies Act, 1956.”

Fixed Deposits

The Company has not invited/accepted any

fixed deposits from the public in terms of Section 58A of the Companies Act, 1956.

Employee Particulars

None of the employees is in receipt of remuneration exceeding the limit and whose particulars are required to be given as prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

Additional Information as Required U/S 217(1) (e) of the Companies Act, 1956

(a) Conservation of Energy:

Company’s ISP operations and administration require electrical energy for computer systems, air conditioning and lighting, which are not energy intensive. Whereas the Biodiesel plant requires huge electrical energy for operations of the Biodiesel production unit. During the current financial year the Company has undertaken significant measures to reduce the energy consumption by using energy-efficient machines and equipment. The Company also undertakes evaluation of latest technology and invests in making its infrastructure more energy efficient.

(b) Research and Development and Technology Absorption:

Your company will continue to focus and invest in its R & D activities in the production of biodiesel and other products. Your company also leverages its excellence in technology for providing World Class ISP services to its customers in the state of Andhra Pradesh. The continual exposure to new technologies has helped to maintain high motivation levels in employees and to provide quality services. Your

company continues to give due importance to research and development to provide high quality of ISP services and better products from biodiesel division.

- (c) (i) Foreign exchange earnings: There are no foreign exchange earnings
(ii) Foreign Exchange out go:
Total Rs. 65,66,27,214/-

Particulars	Rs.
Foreign Travel	5,32,722
Purchase of Equipments	65,57,72,786
Membership Fee	3,21,706
TOTAL	65,66,27,214

Stock Exchanges

The Company's present Equity shares are listed in Bombay Stock Exchange. The Company has paid the Listing Fees to the Stock Exchange for the Financial Year 2012-13 and 2013-14.

Unclaimed Securities Demat Suspense Account

As on date, there are 8239 Equity Shares of Rs. 10/- each, which were allotted in Initial Public Offer and Rights Issue of 2005, were lying in the escrow account due to non-availability of 18 shareholders correct particulars. Despite various reminders to them, by Aarthi Consultants Private Limited our Registrars and Share Transfer Agents, no response has been received. As a result, the said unclaimed shares are credited to Southern Online Bio Technologies Ltd - Unclaimed Securities Demat Suspense Account in view of compliance of Clause 5A of the Listing Agreement. Such shareholders may approach either the Company or our Registrars and Share Transfer Agents with their correct particulars and proof of their identity for crediting requisite shares from

the Demat Suspense Account to their individual demat Account. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Awards to the Company

- The Institute of Economic Studies, New Delhi has awarded a prestigious "Barons of Indian Business Development Award" in the year 2012.
- Certificate of Excellence in recognition of Exemplary growth from Inc. India 500 in the year 2012.

International Sustainability for Carbon Certification (ISCC)

Your Company is the first in India to receive ISCC. The ISCC is mandatory for exporting Biodiesel and Used Cooking Oil to European countries.

Acknowledgements

Your Directors place on record their appreciation of the continuous assistance and co-operation extended to your Company by the valued customers, bankers, the Office of APIIC & APSEZ, APITCO, Pollution Control Board, Engine manufacturers like Kirloskar, Indian Railways, Research Designs and Standard Organization (RDSO) of Indian Railways, Central & State Government and all the trusted shareholders. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

On behalf of the Board

N. Satish Kumar
Managing Director

K. Radha Krishna
Director -Finance

Date : 22.08.2013
Place: Hyderabad



THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Clause 49 of the Listing Agreement, a report on Management Discussion and Analysis Report is given below:

A. ISP Division

At about 150 million Internet users, India now has 3rd largest internet population in the world after china (at 575 million) and the United States (at 275 million). At 150 million total Internet users, the internet penetration in India remains at 12% Vs 43% in China and 80% in United States. However the low penetration means that India presents unmatched growth opportunity for the Internet sector in coming years. India will likely see golden period of the Internet Sector between 2013 and 2018 with incredible growth opportunity and secular growth adoption for E-commerce, Internet advertising, Social media, Search online content and services relating to E-commerce and Internet advertising.

Strengths and opportunities:

All Services like Television, Video on demand, video conferencing, e-education, e-commerce, e-business etc are converting into Internet based technology. Bandwidth is available in many modes. IPV6 version is introduced to overcome the shortage of present IP address. With the advancement of technology in Internet field, gadgets in home like Air conditioning equipment, water heaters etc are controllable even if the person is outside the home.

The Company provides internet services to individuals, corporate clients and cyber cafes. More specially the Company provides Internet services to rural areas where no other companies can't provide.

Challenges and threats

Major threats for this industry is new entrants which leads to heavy competition in prices.

Out look for the industry

As per statistics it is expected that India will add 30 million new internet users in 2013 and total internet population to touch 180 million. This implies 20% growth in internet population. The internet can now be accessed almost any where by numerous means especially through mobile internet devices.

It is estimated that mobile Internet population in 2013 at 100 million. Mobile phones, data cards, cellular routers allows users to connect to the internet from anywhere. The low cost and nearly instantaneous sharing of ideas, knowledge and skills have made collaborate software, Internet specifically significantly facilitates the process of development of nations and its citizens in all respects be it economic, social or cultures.

B. Bio Diesel

India is an energy deficient nation by global standards. According to Integrated Energy Policy of the Planning Commission, Govt. of India per capital energy consumption was much lower than not only the average of the developed countries.

The National Biofuel policy of India got approved in December 2009 and so far a limited progress has been achieved in this sector and the same will grow much more in the coming years.

At present the Govt. of India has introduced dual pricing for individual users and bulk users by reducing the subsidy on petro

diesel. Due to which the petro diesel is available at Rs. 10.00 higher than the petro pump station to the bulk users such as Road transport corporations, major industries and Railways. This is a welcoming factor by the Biodiesel industry as this will help the industry in coming months.

Benefits:

- Reduced emission of harmful pollutants
- Reduction in greenhouse gas emissions
- Increased employment
- Energy security and decreased dependence on oil imports
- Improved Social well being

Biodiesel industry in India/ Outlook for the Industry

Under National Biodiesel Mission, the Govt. of India is in the planning for the Biodiesel development and commercialization as formulated by planning commission, Government of India. Analysis from Frost and Sullivan strategic analysis of the Indian Biofuel Industry, reveals that the biodiesel market is an emerging one and has long way to go before it catches with global competitors.

The Government of India is currently implementing an ethanol blending program and considering initiatives in the form of mandates for Biodiesel. Due to these strategies, the rising population and the growing energy demand from the transport sector biofuels are assured with a significant market in India very shortly.

Internal Control System and their Adequacy

The Company has adequate internal control systems and procedures in all operational areas and at all levels - equipments

procurement, finance, administration, marketing and personnel departments. The Company also has internal Audit system 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.

Discussion on Financial Performance with respect to Operational Performance

During the year under review the total revenue of the Company for the financial year ended 31st March, 2013 is Rs. 14334.61 Lakhs as compared to the previous year's total revenue of Rs 9151.22 Lakhs. During this financial year the Company has incurred a net loss of Rs. 962.09 Lakhs as against the previous year's net loss of Rs.3590.99 Lakhs (after deferred tax assets provision). The net loss incurred is due to very low average capacity utilisation and non operations because of non availability of the sufficient working capital and also delay in getting working capital limits. At present the request for required additional working capital enhancement from all the consortium banks (Bank of India, State Bank of Hyderabad, Punjab National bank and UCO Bank) is under process.

Human Resource 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 and training opportunities to equip them with skill, which enables them to adapt to contemporary technological advancements.

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



REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

SBT is committed to doing business in an efficient, responsible, honest and ethical manner. The Company's Corporate Governance philosophy stems from the belief that timely disclosures, transparent accounting policies and independent Board go a long way in preserving shareholders trust while maximizing long term corporate value. Good Corporate Governance goes beyond compliance and involves a company wide commitment. This commitment starts with Board of Directors which executes its corporate governance responsibilities by focusing on the company's strategic and operational excellence in the best interest of all our stakeholders in particular shareholders, employees and our customers in a balance fashions with long term benefits to all.

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

1. Board of Directors

A. Composition

- a. The Company has 9 Directors which includes a Non Executive and Independent Chairman on its Board. Out of nine (9) Directors, one (1) is Non-Executive Director, four (4) (including Chairman) are Independent and non executive Directors and four (4) are executive Directors including Managing Director. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges and meets the stipulated requirements.
- b. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he / she is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as on March 31, 2013.
- c. The names and categories of Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Composition and category of Directors on the Board for the year 2012-13 are given right side:

Name of the Director	Category	Number of Directorships in other Companies	Number of Board Committee memberships held in other Companies
N. Satish Kumar	Promoter & Managing Director	2	NIL
K.Radha Krishna	Promoter & Director Finance	2	NIL
B. Sreedhara Reddy	Promoter & Director Admin.	2	NIL
B.H.R. Balaji	Promoter & Executive Director	2	NIL
Y. Anand Swaroop	Independent Director & Non Executive Chairman	NIL	NIL
T. Rohini Reddy	Independent Director	NIL	NIL
Ashiwini Kumar Tripathi*	Independent Director	3	NIL
Kishor Shah	Independent Director	3	5
Christian A Schmidt	Non Executive Director	NIL	NIL

* Mr Ashiwini Kumar Tripathi was regularized as a Director in the AGM held on 29th September 2012.

- d. Pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company. None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.
- e. During the Financial Year 2012-13 the Board of Directors met 7 times on the following dates: 29.05.2012, 13.08.2012, 30.08.2012, 10.11.2012, 06.12.2012, 13.12.2012, 13.02.2013
- f. The time gap between any two Board Meetings did not exceed four months.
- Attendance of Directors at Board Meetings and at the last Annual General Meeting (AGM) held on 29th September, 2012.

Name of the Director	No. of Board Meetings attended	Whether attended the last AGM
N. Satish Kumar	6	Yes
K.Radha Krishna	6	Yes
B. Sreedhara Reddy	7	No
B.H.R. Balaji	3	Yes
K. Tejesh Kumar*	5	Yes
Y. Anand Swaroop	5	Yes
T. Rohini Reddy	7	No
Ashiwini Kumar Tripathi	-	No
Kishor Shah	-	No
Christian A Schmidt	-	No



* Mr K Tejesh Kumar was resigned from the Directorship of the Company w.e.f 13th February 2013.

Board's Procedure

Agenda papers along with explanatory statements were circulated to the Directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

3. Code of Conduct

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2012-13

SBT is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all directors, officers and employees.

I hereby certify that all Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2012-13.

Place: Hyderabad

Date: 22.08.2013

Sd/-

N. Satish Kumar
Managing Director

4. Audit Committee

- I) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- II) The terms of reference of the Audit Committee include a review of;
 - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
 - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
 - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
 - Reviewing with management the annual financial statements before submission to the Board, focusing on:

- i Any changes in accounting policies and practices;
 - ii Qualification in draft audit report;
 - iii Significant adjustments arising out of audit;
 - iv The going concern concept;
 - v Compliance with accounting standards;
 - vi Compliance with stock exchange and legal requirements concerning financial statements;
 - vii Any related party transactions
- Reviewing the company's financial and risk management's policies.
 - Disclosure of contingent liabilities.
 - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 - Reviewing compliances as regards the Company's Whistle Blower Policy.
- III) The previous Annual General Meeting of the Company was held on 29th September 2012 and Mr Y Aand Swaroop, Member of the Audit Committee, attended previous AGM.
- IV) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Composition

The Company has constituted an Audit Committee comprising of the following three Non-Executive Independent Directors.

S.No	Name of the Director	Designation	Nature of Directorship
1	T Rohini Reddy	Chairperson	Non-Executive & Independent Director
2	Y Anand Swaroop	Member	Non-Executive & Independent Director
3	Ashiwini Kumar Tripathi	Member	Non-Executive & Independent Director



V) Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 29.05.2012, 13.08.2012, 10.11.2012, 13.02.2013.

The necessary quorum was present at all the meetings.

Attendance during the year 2012-13:

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

Subsidiary Company

Southern Biofe Biofuels Pvt. Ltd (SBBF)

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.

The Audit committee of the Company also reviews the financial statements of the subsidiary Company. The minutes of the Board Meetings of subsidiary company are placed at the Board Meetings of Southern Online Bio Technologies Limited and reviewed in detail.

5. Remuneration Committee

The Company has constituted Remuneration Committee to decide, fix the remuneration payable to the Managing / Whole time Directors of the Company.

However, the remuneration of the Managing / Whole time Director is subject to approval of the Board, and of the Company in the General Meeting and such approvals as may be necessary. The remuneration structure of Managing / Whole time Director comprises of salary only.

A. Composition

The Remuneration Committee consists of the following Directors:

S.No	Name of the Director	Designation	Nature of Directorship
1	T. Rohini Reddy	Chairperson	Non-Executive & Independent Director
2	Y. Anand Swaroop	Member	Non-Executive & Independent Director
3	Kishor Shah	Member	Non-Executive & Independent Director

B. Brief description of terms of reference

The Remuneration Committee shall function in accordance with the terms of reference made by the Board of Directors, which are given as follows:

1. To fix the remuneration packages of Executive Directors i.e., Managing Director, Whole time Directors, etc.,
2. To decide on the elements of remuneration package of all Directors i.e., salary, benefits, bonuses, stock options, pension etc.”

The Non-executive Directors are paid sitting fees for attending the Board and Committee meetings. No Remuneration Committee Meetings held during the Financial Year 2012-13.

The details of the salary and commission paid / payable for the Financial Year ended 31st March, 2013 to the Managing / Whole time Director are as under:

Name of the Director	Designation	Salary per annum (Rs. in Lakhs)	Commission
N. Satish Kumar	Managing Director	19.20	NIL
K. Radha Krishna	Director Finance	12.00	NIL
B. Sreedhara Reddy	Director Administration	12.00	NIL
B H R Balaji	Executive Director	12.00	NIL

The Company does not have any stock option scheme to the Whole-time Directors. The appointments are made in accordance with the terms and conditions specified in the respective resolutions passed by the members in the General Meetings, which do not provide for severance fees.

6. Investors' Grievance Committee

A. Composition

Your Company has constituted an Investors' Grievance Committee consisting of the following Directors:

S.No	Name of the Director	Designation	Nature of Directorship
1	T. Rohini Reddy	Chairperson	Non-Executive & Independent Director
2	N Satish Kumar	Member	Executive & Promoter Director
3	K Radha Krishna	Member	Executive & Promoter Director

B. Powers

The Committee has been delegated with the following powers:

- To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of balance sheet, non-receipt of declared dividend etc.
- To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- Consolidate and sub-division of share certificates etc.
- To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

During the period under review, one (1) share transfer was received from the shareholder, has been transferred and there are no pending Share Transfers / Complaints as on date of this report.

7. General Body Meetings

Financial Year	Date	Time	Venue	Resolutions Passed
14 th AGM 2011-12	29.09.2012	11.30 AM	Maisamma Garden, #4-1-6/2 Kalikanagar, Opp. Kalimandir Temple, Bandlaguda Jagir Rajendranagar, Hyderabad - 86	<ol style="list-style-type: none"> 1. Mr Ashiwini Kumar Tripathi appointed as Director of the Company. 2. Issue of 62,50,000 equity shares to promoters and others on Preferential basis u/s 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956.
13 th AGM 2010-11	30.09.2011	11.30 AM	Dream Valley Srinagar, Gandipet, Hyderabad - 75	<ol style="list-style-type: none"> 1. Re-appointment of Mr N Satish Kumar as Managing Director.
12 th AGM 2009-2010	30.09.2010	11.30 AM	Dream Valley Srinagar, Gandipet, Hyderabad - 75	<ol style="list-style-type: none"> 1. Appointment of Mr BHR Balaji as Executive Director. 2. Appointment of Mr K Radha Krishna as Director Finance 3. Appointment of Mr B Sreedhara Reddy as Director Admini. 4. Voluntary delisting of Securities from Bangalore Stock Exchange Limited.

Postal Ballot Meeting

Financial Year	Date	Time	Venue	Resolutions Passed
2013-14	11.06.2013	04.30 PM	3A, 3 rd Floor, Office Block, Samrat Complex Saifabad, Hyderabad - 04	<ol style="list-style-type: none"> 1. Issue of 1,66,64,059 Equity shares to Promoters and Others on Preferential Basis u/s 81(1A) of the Companies Act, 1956. 2. Increase in Borrowing Limits from Rs 279 crores to Rs 459 u/s 293(1)(d) and other applicable provisions if any of the Companies Act, 1956.

				3. Creation of Charge on Movable and Immovable properties of the Company, both present and future in respect of borrowings u/s 293(1)(a) and other applicable provisions if any of the Companies Act, 1956.
--	--	--	--	---

Auditors' Certificate on Corporate Governance as required by revised Clause 49 of the Listing Agreement as given in an annexure to the Director's Report.

8. Disclosures

- The Company has not entered into any transaction of material nature with related parties i.e., Directors, Management, their relatives conflicting with the Company's interest.

- **Details of non-compliance**

There has been no non-compliance of any legal requirements nor have been any strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last 3 years.

- **Whistle Blower policy**

We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the Company. The mechanism provided direct access to the Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the Company. The Whistle Blower Policy has been posted on the Intranet of the Company.

- **Compliance with non-mandatory requirements of clause 49 of the listing agreement**

The Company has complied with the non-mandatory requirements relating to remuneration committee and Whistle Blower policy to the extent detailed above and has not complied with other non-mandatory requirements.

- **Management Discussion and Analysis**

A detailed section on 'Management Discussion and Analysis' (MDA), pursuant to Clause 49 of the Listing Agreement forms part of this Annual Report.

9. Means of Communication

The quarterly, half-yearly and yearly financial results will be sent to the Stock Exchanges immediately after the Board approves the same and these results will also be published in prominent daily newspapers, viz. Business Standard and Andhra Prabha. These financial statements, press releases are also posted on the Company's website, at www.sol.net.in. As the financial performance of the Company is well published, individual communication of half yearly results are not sent to the shareholders.

The Management Discussion and Analysis Report forms part of the annual report, which is posted to the shareholders of the Company.



10. General Shareholder Information:

The following information would be useful to the shareholders:

a) Fifteenth Annual General Meeting

Date and Time : Monday the 30th September 2013 at 10.30 am
Venue : Dwaraka Conference Hall, Plot No. 73,
Reliance Chambers, Bandlaguda Cross Roads,
Rajendra Nagar Mandal, Hyderabad - 500030

b) Financial Calendar 2013-14 (Tentative Schedule)

For the Quarter ended 30th June, 2013, the Company has already declared the Unaudited Financial Results on August 10, 2013.

Adoption of Quarterly results for the Quarter ending

30th September, 2013 : 1st/2nd Week of November, 2013
31st December, 2013 : 1st/2nd Week of February, 2014
31st March, 2014 : on or before 15th May 2014
Annual General Meeting (Next year) : August / September, 2014

c) Book Closure Date

Monday the 23rd September 2013 to Friday 27th September 2013 (both days inclusive)

d) Listing on Stock Exchanges : Bombay Stock Exchange Ltd

e) Stock Code

- Stock Code / Symbol : BSE : 532669 / SBTL
- Demat ISIN number in NSDL & CDSL : INE 371B01015

Electronic Connectivity

National Securities Depository Limited

Trade World, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai - 400 013

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers, 28th Floor
Dalal Street, Mumbai - 400 023

f) Stock Market Data

The monthly high / low prices of shares of the Company from April, 2012 to March, 2013 at Bombay Stock Exchange :



Scrip Code: 532669

Company Name: SOUTHBIOTEC

For the period: April 2012 to March 2013

Date	High (Rs.)	Low (Rs.)	No. of Shares
April 2012	7.39	5.81	295855
May 2012	7.14	5.05	79270
June 2012	5.86	4.93	467619
July 2012	5.81	4.35	1693281
August 2012	4.96	3.85	61863
September 2012	4.57	3.71	89880
October 2012	4.77	3.48	219175
November 2012	3.54	2.40	966891
December 2012	3.66	2.26	1645840
January 2013	5.20	3.84	571661
February 2013	4.36	3.78	188616
March 2013	5.20	3.92	360680

g) Registrars and Transfer Agents

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

h) Share Transfer System

SEBI has vide its circular dated 27.12.2002, directed that all work relating to share registry, both physical and demat should be maintained at a single point. Accordingly, the Share Transfers, both physical and demat form, are done by the Registrar and Share Transfer Agents i.e., M/s. Aarathi Consultants Private Limited, Domalguda, Hyderabad. The requests received for transfer of shares in physical form are generally completed within the stipulated time.

11. (A) - Share Holding Pattern as on 31.03.2013

Category code	Category of Shareholder	Number of Shareholders	Total Number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a Percentage of (A+B)1	As a Percentage of (A+B+C)	Number of Shares	As a Percentage (IX) = (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/Hindu Undivided Family	8	6049479	6049479	17.48	17.48	3019011	49.91
(b)	Central Government/State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0
(d)	Financial Institutions/Banks	0	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0	0
(e-i)	Mutual Funds	0	0	0	0	0	0	0
(e-ii)	Trusts	0	0	0	0	0	0	0
	Sub Total (A)(1)	8	6049479	6049479	17.48	17.48	3019011	49.91
2	Foreign							
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0
(e)	Any Others(Specify)							
(e-i)	Overseas Corporate Bodies	0	0	0	0	0	0	0
(e-ii)		0	0	0	0	0	0	0
	Sub Total (A)(2)	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	8	6049479	6049479	17.48	17.48	3019011	49.91
(B)	Public Shareholding							
1	Institutions							
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0
(b)	Financial Institutions/Banks	0	0	0	0	0	0	0
(c)	Central Government/State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	5	5975950	5975950	17.26	17.26	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0
(i)	Any Others(Specify)							
(i-i)	Foreign Companies	0	0	0	0	0	0	0
(i-ii)		0	0	0	0	0	0	0
	Sub Total (B)(1)	5	5975950	5975950	17.26	17.26	0	0
2	Non-Institutions							
(a)	Bodies Corporate	219	5645343	5598297	16.31	16.31	0	0
(b)	Individuals							
(I)	Individual shareholders holding nominal share capital upto Rs.1 lakh	8779	6574316	6251949	18.99	18.99	0	0
(II)	Individual shareholders holding nominal share capital in excess of Rs.1 lakh	212	8436148	8312548	24.37	24.37	0	0
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0
(d)	Any Others(Specify)							
(d-i)	Non Resident Individuals	77	625617	554317	1.81	1.81	0	0
(d-ii)	Overseas Corporate Bodies	1	10000	0	0.03	0.03	0	0
(d-iii)	Trusts	0	0	0	0	0	0	0
(d-iv)	Employees	0	0	0	0	0	0	0
(d-v)	Clearing Members	9	20860	20860	0.06	0.06	0	0
(d-vi)	Foreign Nationals	1	1276102	1276102	3.69	3.69	0	0
	Sub Total (B)(2)	9298	22588386	22014073	65.26	65.26	0	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	9303	28564336	27990023	82.52	82.52	0	0
	Total (A)+(B)	9311	34613815	34039502	100	100	3019011	8.72
(C)	Shares held by Custodians and against Depository Receipts have been issued							
1	Shareholding of Promoter and Promoter Group	0	0	0	0	0	0	0
2	Public Shareholding	0	0	0	0	0	0	0
	Grand Total (A)+(B)+(C)	9311	34613815	34039502	100	100	3019011	8.72

Distribution of Shareholding as on 31.03.2013

Sl.No.	Category	Holders	Holders Percentage	Shares	Amount	Amount Percentage
1	1 - 5000	6555	70.40	1634270	16342700	4.72
2	5001 - 10000	1126	12.09	995751	9957510	2.88
3	10001 - 20000	594	6.38	975850	9758500	2.81
4	20001 - 30000	280	3.01	727982	7279820	2.10
5	30001 - 40000	112	1.20	407719	4077190	1.18
6	40001 - 50000	143	1.54	691902	6919020	2.00
7	50001 - 100000	230	2.47	1732675	17326750	5.01
8	100001 & Above	271	2.91	27447666	274476660	79.3
	Total	9311	100.00	34613815	346138150	100.00

12. Dematerialisation of Shares and Liquidity

Trading in Company's shares is permitted only in dematerialised form for all investors. The ISIN allotted to the Company's scrip is INE 371B01015. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. 98.34% of the Company's shares up to 31st March 2013 are now held in electronic form. Shares of the Company are actively traded in Bombay Stock Exchange, and hence have good liquidity. The list of depository participants is available with the National Securities Depository Limited (NSDL) at www.nsdl.co.in.

Particulars	No. of Shares	% Share Capital
NSDL	2,64,61,241	76.45
CDSL	75,78,261	21.89
PHYSICAL	5,74,313	1.66
Total	3,46,13,815	100.00

13. Address for Correspondence

Registered office : Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad-500 004.

R & T Agent : Aarthi Consultants Pvt. Ltd.
1-2-285, Domalguda, Hyderabad- 500 029.
Tel: (040) 27642217/27638111
Fax: (040) 27632184
Email: info@aarthiconsultants.com

On behalf of the Board

Place: Hyderabad
Date: 22.08.2013

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director -Finance





CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

We, N Satish Kumar, Chief Executive Officer and K Radha Krishna, Chief Financial Officer of Southern Online Biotechnologies Limited hereby certify to the best of our knowledge and belief certify that;

1. We have reviewed the Balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement and the director's report.
2. Based on our knowledge and information these statements do not contain any untrue information of a material fact or omit to state material fact or contain statement that might be misleading.
3. Based on our knowledge and information the financial statements and other financial information included in the report present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and/ or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal, or violative of the company's code of conduct.
5. We are responsible for establishing and maintaining internal controls over financial reporting for the company and have
 - a. Designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles.
 - b. Evaluated the effectiveness of the company's internal control systems pertaining to financial reporting and
 - c. Disclosed in this report and change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. We have disclosed to the Company's auditors and the Audit Committee of the Company's Board of Directors in regard to
 - a. Significant changes internal controls over financial reporting, if any during the year covered by the report.
 - b. Significant changes in accounting policies during the year, if any and that the same have been disclosed in the financial statements.
 - c. Instances of significant fraud of which we are aware, that involves management or other employees who have significant role in the company's internal control system over financial reporting.

Place: Hyderabad

Date: 22.08.2013

Sd/-
N Satish Kumar
Managing Director

Sd/-
K Radha Krishna
Director Finance

AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members
Southern Online Bio Technologies Ltd
Hyderabad.

We have examined the compliance of conditions of Corporate Governance of M/s. Southern Online Bio Technologies Ltd for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock exchanges.

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 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 and on the basis of our examination described above, we certify that the company has complied with the conditions of corporate Governance as stipulated in the Listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Company.

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

for **P. Murali & Co.,**
Chartered Accountants

Place: Hyderabad
Date : 27.05.2013

Sd/-
P Murali Mohana Rao
Partner



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
**SOUTHERN ONLINE
BIOTECHNOLOGIES LIMITED**

We have audited the accompanying consolidated financial statements of **SOUTHERN ONLINE BIOTECHNOLOGIES LIMITED** ("the Company") and its subsidiaries, which comprise the consolidated Balance sheet as at March 31, 2013, and the consolidated statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance on internal control relevant to the preparation and presentation of the consolidated financials. As there is no reporting on 'Other Legal and Regulatory Requirements' there is no necessity of including the heading 'Report on the Financial Statements' above the introductory paragraph statements that give 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 consolidated financials statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financials statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financials 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 management, as well as evaluating the over all presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India ;

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) In the case of the Consolidated Profit & Loss Account, of the Loss for the year ended on that date; And
- (c) In the case of the Consolidated Cash Flow, of the cash flows for the year ended on that date;

For P. Murali & Co.,,
Chartered Accountants
FRN: 007257S

Sd/-

P. Murali Mohana Rao
(Partner)

Place : Hyderabad

Date : 27.05.2013

Membership No. 023412



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	346,138,150	346,138,150
(b) Reserves and Surplus	2	(226,307,090)	(130,097,149)
(c) Minority Interest		1,030	1,030
(2) Share application money pending allotment	3	160,940,593	62,500,000
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	913,482,037	891,899,476
(b) Deferred tax liabilities (Net)	5	117,940,111	82,164,577
(c) Other Long term liabilities	6	47,125,850	68,363,255
(4) Current Liabilities			
(a) Short-term borrowings	7	459,191,998	297,734,075
(b) Trade payables	8	194,881,495	63,819,848
(c) Short-term provisions	9	24,137,381	20,756,125
Total		2,037,531,555	1,703,279,387
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	10	1,270,600,931	1,150,138,910
(ii) Intangible assets	11	31,388,016	35,606,172
(iii) Capital work-in-progress		4,628,076	15,128,276
(b) Long term loans and advances	12	10,583,552	43,208,417
(c) Other non-current assets	13	51,562,004	57,937,284
(2) Current assets			
(a) Inventories	14	211,843,214	114,786,276
(b) Trade receivables	15	377,029,896	154,774,521
(c) Cash and cash equivalents	16	25,717,169	40,519,770
(d) Short-term loans and advances	17	54,178,697	91,179,761
Total		2,037,531,555	1,703,279,387

Summary of Significant Accounting Policies

The accompanying notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE For Southern Online Bio Technologies Ltd.,

For P.Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-
P.Murali Mohana Rao.
Partner.

Place : Hyderabad

Date : 27.05.2013

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director Finance

Sd/-
G. Anupama
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No	For the year ended 31.03.2013 (Rupees)	For the year ended 31.03.2012 (Rupees)
I. Revenue from operations	18	1,430,683,143	912,446,209
II. Other Income	19	2,778,096	2,675,846
III. Total Revenue (I +II)		1,433,461,239	915,122,055
<i>IV. Expenses:</i>			
Cost of materials consumed	20	1,258,865,044	704,828,357
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	(103,545,517)	89,709,696
Employee benefit expense	22	17,807,722	15,651,999
Other operating expenses	23	139,329,231	161,467,395
Administrative Expenses	24	29,365,983	32,177,999
Financial costs	25	113,297,107	168,099,164
Depreciation and amortization expense	10 & 11	27,186,149	70,826,480
Other expenses	26	11,589,927	8,281,674
Total Expenses		1,493,895,646	1,251,042,764
V. Profit before exceptional and extraordinary items and tax (III -IV)		(60,434,407)	(335,920,709)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(60,434,407)	(335,920,709)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(60,434,407)	(335,920,709)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		35,775,534	23,179,032
XI. Profit(Loss) from the period from continuing operations (IX - X)		(96,209,941)	(359,099,741)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)	-	-	-
XV. Profit/(Loss) for the period (XI + XIV)	-	(96,209,941)	(359,099,741)
XVI. Earning per equity share:			
(1) Basic		(1.75)	(9.70)
(2) Diluted			

Summary of Significant Accounting Policies

The accompanying notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE For Southern Online Bio Technologies Ltd.,

For P.Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-
P.Murali Mohana Rao.
Partner.

Place : Hyderabad

Date : 27.05.2013

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director Finance

Sd/-
G. Anupama
Company Secretary

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO. 1 : SHARE CAPITAL

S. NO.	Particulars	As at 31.03.2013		As at 31.03.2012	
		No. of Shares	Rupees	No. of Shares	Rupees
A	Share Capital (For each class of capital)				
	(a) Authorised	75,000,000	750,000,000	75,000,000	750,000,000
	(b) Issued	34,613,815	346,138,150	34,613,815	346,138,150
	(c) Subscribed & Fully Paid Up	34,613,815	346,138,150	34,613,815	346,138,150
	(d) Subscribed & not fully paid up	-	-		-
	(e) Par value per share Rs. 10/-				
	Total Equity Share capital		346,138,150		346,138,150
	Total Share capital		346,138,150		346,138,150
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	
	Equity Shares of Rs. 10/- Each, Fully paid up				
	At the Beginning		34,613,815		34,613,815
	Issued during the year - Pref Issue				-
	Forfeited / Bought Back during the year	-	-		
	At the end		34,613,815		34,613,815
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) 21,76,792 No. of Shares (P.Y) 21,76,792.		6.29		6.29
	(b) Share Holder - National West Minister bank PLC as Trustee of Jupiter Ind- No.of shares (C.Y) 20,00,000, No.of shares (P.Y) 20,00,000		5.78		5.78
	(c) Share Holder - Mavi Investments No. of Shares (C.Y) 18,90,618 No. of Shares (P.Y) 18,90,618		5.46		5.46

NOTE NO. 2 : RESERVES AND SURPLUS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	RESERVES AND SURPLUS		
	a) Securities Premium Reserve		
	As at the commencement of the year	253,187,500	253,187,500
	Add: Additions during the year	-	-
		253,187,500	253,187,500
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(419,945,426)	(60,845,685)
	Add: Transfer from Profit & Loss Account	(96,209,941)	(359,099,741)
		(516,155,367)	(419,945,426)
	c) Share warrants forfeited premium :		
	As at the commencement of the year	33,163,000	-
	Add: Additions during the year	-	33,163,000
		33,163,000	33,163,000
	d) VAT Subsidy Received	3,497,777	3,497,777
	Total Reserves and Surplus	(226,307,090)	(130,097,149)

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
1	Share Application Money		
	Opening Balance	62,500,000	62,500,000
	Add: Received during the year	98,440,593	-
	Total	160,940,593	62,500,000

NOTE NO. 4 : LONG TERM BORROWINGS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured		
	Bank of India, Banjara Hills, - Loan for Flats (Secured by Hypothecation of the Flats of the company)	3,287,209	3,636,675
	Bank of India, Banjara Hills, - Term Loan. (Secured by total Plant & Machinery of the company)	532,452	9,986,306
	HDFC Bank of India - Vehicle. (Hypothecation of Vehicle of the company)	-	179,359
	Axis Bank - Vehicle. (Hypothecation of Vehicle of the company)	-	286,089
	SBH - Vehicle. (Hypothecation of Vehicle of the company)	290,788	527,536
	TERM LOANS - (BOI, SBH, UCO, PNB) (Hypothecation Plant & Machinery of the company)	844,909,830	875,351,753
	Unsecured	59,931,758	1,931,758
	b) Loans and advances from related parties	4,530,000	-
	Total long term borrowings	913,482,037	891,899,476

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Opening Deferred tax Liability	82,164,577	58,985,545
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	35,775,534	23,179,032
	Deferred Tax Liability for the year (Due to others)	-	-
	Deferred Tax Liability / (Asset) - Net	117,940,111	82,164,577

NOTE NO. 6 : OTHER LONG TERM LIABILITES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Trade Payables & Others	6,179,479	-
	Advance from Customers	10,070,531	68,363,255
	Other Liabilities	30,875,840	-
	Total other long term liabilities	47,125,850	68,363,255



NOTE NO. 7 : SHORT TERM BORROWINGS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured	299,213,998	232,064,075
	b) Other loans and advances		
	Secured	159,978,000	65,670,000
	Total short term borrowings	459,191,998	297,734,075

NOTE NO. 8 : TRADE PAYABLES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	a) Trade Payables	194,881,495	63,819,848
	Total Trade Payables	194,881,495	63,819,848

NOTE NO. 9 : SHORT TERM PROVISIONS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	a) Provisions for employee benefits		
	PF Payable	2,384,114	229,791
	Salaries Payable	4,846,517	3,739,691
	b) Others		
	Statutory Liabilities	13,411,913	11,706,840
	Provision for Expenses	3,494,837	5,079,803
	Total short term provisions	24,137,381	20,756,125



NOTE NO. 10 & 11

FIXED ASSETS AS ON 31ST March 2013

Sl. No.	Name of the Asset	Fixed Assets							Depreciation				Net Block as on 31.03.2013	Net Block as on 31.03.2012
		Op Balance As on 01.04.2012	Addition during the year	Additions Through business Acquisitions	Capita-lized During the year	Sales/ Deletions during the year	As on 31.03.2013	Rate of Depre-ciation	Opening Balance	Depreciation for the year	Impair-ment Loss/ reversal of impair-ment loss for the year	Total		
1	Land & Site Development	54,649,032	-	-	-	-	54,649,032	-	-	-	-	-	54,649,032	54,649,032
2	Buildings	168,827,302	1,088,368	-	-	326,180	169,589,490	3.34%	11,736,866	1,848,071	-	13,389,229	156,200,261	157,090,436
3	Plant & Machinery	1,039,656,353	130,313,733	-	10,500,200	-	1,180,470,286	5.28%	123,404,899	19,758,906	-	143,163,806	1,037,306,480	916,251,454
4	Office Equipment	2,599,687	938,178	-	-	-	3,537,865	6.33%	966,335	144,070	-	1,110,406	2,427,459	1,633,352
5	Computers	87,827,296	660,064	-	-	4,079,525	84,407,835	16.21%	85,855,100	119,204	-	82,456,575	1,951,260	1,972,196
6	Furniture & Fixtures	5,496,562	611,741	-	-	-	6,108,303	6.33%	1,824,403	283,434	-	2,107,836	4,000,467	3,672,159
7	Vehicles	18,671,445	-	-	-	-	18,671,445	9.50%	3,801,164	804,309	-	4,605,473	14,065,972	1,4870,281
	TOTAL	1,377,727,677	133,612,084	-	10,500,200	4,405,705	1,517,434,256	-	227,588,767	22,957,994	-	246,833,325	1,270,600,931	1,150,138,910
8	Intangible Fixed Assets													
	Technical Know	7,896,908	-	-	-	-	7,896,908	-	7,456,754	440,155	-	7,896,908	-	440,154
	Pre Issue Expenses	39,116,017	-	-	-	-	39,116,017	-	3,950,000	3,788,000	-	7,738,000	31,388,016	35,166,017
		47,012,925	-	-	-	-	47,012,925	-	11,406,754	4,228,155	-	15,634,908	31,388,016	35,606,171
9	Capital Work in Progress	15,128,276	-	-	(10,500,200)	-	4,628,076	-	-	-	-	-	4,628,076	15,128,276
	TOTAL	1,439,868,878	133,612,084	-	-	4,405,705	1,569,075,257	-	238,995,521	27,186,149	-	262,468,233	1,306,617,023	1,200,873,357

NOTE NO. 15 : TRADE RECEIVABLES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Other Receivables (Less than Six months) Unsecured, Considered Good	377,029,896	154,774,521
	Total Trade Receivables(net)	377,029,896	154,774,521

NOTE NO.16: CASH AND BANK BALANCES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	25,650,417	38,573,664
	B) Cash on hand	66,752	1,946,106
	Total Cash and Cash Equivalents	25,717,169	40,519,770

NOTE NO. 17 : SHORT TERM LOANS AND ADVANCES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Short Term loans and Advances	-	-
	a) Security Deposit	-	-
	Secured- LC Margin	36,853,000	-
	b) Other loans and Advances	-	-
	Secured -Raw Materials etc	1,311,104	91,179,761
	Unsecured	16,014,593	-
	Total short term loans & advances (net)	54,178,697	91,179,761

NOTE NUMBERS TO STATEMENT OF CONSOLIDATED PROFIT & LOSS A/C
NOTE NO. 18 : REVENUE FROM OPERATIONS

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Revenue from operations in respect of non-finance company		
	(a) Sale of Products	549,090,107	746,599,215
	(b) Export sale of products	156,928,825	-
	(c) Sale of Services	32,777,117	30,691,465
	(d) Other Operating Revenues	694,225,786	136,952,388
	Less: Excise Duties	2,338,692	1,796,859
	Total Revenue from Operations	1,430,683,143	912,446,209

NOTE NO. 19 : OTHER INCOME

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Other non-operating income (net of expenses directly attributed to such income)	198,779	1,459,039
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	2,579,317	1,216,807
	Total Other Income	2,778,096	2,675,846

NOTE NO. 20 : COST OF MATERIALS CONSUMED

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Material		
	Palm Steraine	161,596,060	219,799,259
	Mutton Tallow	178,555,226	266,383,677
	Cotton Seed Oil.	4,366,125	6,225,880
	Rice Bran Oil.	111,714,941	15,806,572
	Used Cooking Oil.	143,781,170	4,083,820
	Palm Sludge Oil	-	2,116,616
	RB Acid oil.	-	23,911,338
	RB Spent earth oil.	-	11,280,158
	Seeds.	-	292,895
	Fatty Acid Oil.	20,386,270	13,809,422
	Waste Oils	-	461,400
	Used Cooking Oil (Cross country purchases)	579,315,224	53,437,833
	Chemicals	34,750,028	19,999,925
		1,234,465,044	637,608,795
	IROAF Sub contract Expenses	24,400,000	67,219,562
		24,400,000	67,219,562
	Total Cost Of Material Consumed	1,258,865,044	704,828,357

NOTE NO. 21 : CHANGE IN INVENTORIES & WIP.

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Finished Goods	-	
	Finished goods at the beginning of the year	45,333,959	128,708,857
	Less : Finished goods at the end of the year	147,066,986	45,333,959
	Sub Total (A)	(101,733,027)	83,374,898
	Work in Progress		
	Work in progress at the beginning of the year	850,286	7,185,084
	Less : work in progress at the end of the year	2,662,776	850,286
	Sub Total (B)	(1,812,490)	6,334,798
	(Increase) / Decrease in Inventories (A+B)	(103,545,517)	89,709,696

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

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Salaries & Wages	11,545,006	10,455,499
	(b) Contribution to Provident & Other Funds	1,970,178	1,973,107
	(c) Staff Welfare Expenses	4,292,538	3,223,393
	Total Employee Benefit Expenses	17,807,722	15,651,999

NOTE NO. 23 : OTHER OPERATING EXPENSES

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Consumption of Stores & Spares	3,154,942	47,355,520
	(b) Power & Fuel	43,778,679	50,223,010
	(c) Rent	821,854	758,798
	(d) Repairs to Machinery	4,351,966	5,645,933
	(e) Insurance	2,440,781	1,529,138
	(f) Rates & Taxes (Licence fees)	431,579	319,873
	(g) Bandwidth	18,007,595	14,846,994
	(h) Other Mfg Expenses	20,690,150	16,139,058
	(i) Factory Wages	17,001,075	18,734,732
	(j) Shipping charges	28,550,610	5,814,339
	(k) Payment to Auditors		
	(i) For Taxation matters	40,000	40,000
	(ii) For Company law matters	20,000	20,000
	(iii) For Management Services	20,000	20,000
	(iv) For other Services	20,000	20,000
	Total Other Expenses	139,329,231	161,467,395

NOTE NO. 24 : ADMINSTRATIVE EXPENSES

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Telephone, Postage and Others	1,839,509	1,561,434
	(b) Business Promotion Expenses	24,481	2,471,271
	(c) Conveyance	12,044,699	13,417,702
	(d) Office Maintenance	1,439,976	645,709
	(e) Printing & Stationery Expenses	286,668	527,473
	(f) Security Charges	792,562	674,994
	(g) Rates & Taxes (excluding Income Tax)	2,853,089	5,276,707
	(h) Managerial Remuneration	5,520,000	5,520,000
	(i) Consultancy Charges	2,449,021	1,595,109
	(j) Gen Expenses (chit loss etc..)	1,130,181	-
	(k) Director Sitting Fee/Board Meeting Expenses	985,797	487,600
	Total Administrative Expenses	29,365,983	32,177,999

NOTE NO.25: FINANCE COST

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Interest Expenses :		
	- Interest on Cash Credit	36,018,070	71,760,443
	- Interest on Car Loan / Term Loan	61,754,194	86,488,001
	- Interest on unsecured loans	2,414,000	-
	- Loan processing Charges & Bank Charges	7,519,799	9,850,720
	(b) Other borrowing costs-LC	5,591,044	-
	Total Finance Cost	113,297,107	168,099,164

NOTE NO. 26 : OTHER EXPENSES

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Other expenses		
	General Expenses	20,246	676,331
	Loss on Chits	-	1,250
	Advertisements	15,000	36,260
	Collection Expenses	228,000	228,870
	Commission & Discounts	7,523,070	3,698,510
	Freight Charges	46,180	3,640,453
	Business Promotion Expenses	3,757,431	-
	Total Other expenses	11,589,927	8,281,674

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2013.

1. Significant Accounting Policies

Preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with generally accepted accounting principles in India.

Method of Accounting

The Company follows the accrual system of accounting and recognizes income and expenditure on accrual basis.

Fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes freight, duties and taxes and other expenses related to acquisition and installation. Pre-operative expense incurred during the construction period capitalized.

Investments

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Long-term investments in subsidiary is carried at cost. Provisions are made to recognize any permanent decline in the carrying value of each investment.

Inventories

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

Revenue Recognition

The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.

Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Sales are shown at net of sales tax / services tax. These taxes are recognized consistently as a liability.

Interest income is recognized using the time proportion method, based on the transactional interest rates.

Commission income is due on rendering of services.

Depreciation and Amortization

Depreciation has been provided in the current year as per Straight Line Method on fixed assets at the specific rates prescribed in Schedule XIV of the Companies Act, 1956.



Foreign Exchange Transactions

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

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

Retirement Benefits

The Company has not taken actuarial valuation reports towards gratuity and leave encashment liability. In the books of accounts there was no provision made. However the Company is making payment on accrual basis from time to time.

Consolidation

The consolidation financial statements relate to Southern Online Bio Technologies Limited (the Company) and its subsidiary companies. The Consolidated financial statements have been prepared on the following basis.

The financial statements of the company and its subsidiary companies are combined on a line - by -line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra group transactions in accordance with Accounting standard-21 on "consolidated Financial Statements".

The Subsidiary Companies considered in the consolidated financial statements are

S.No.	Name of the Subsidiary Company	Country of incorporation	Ownership interest
1	Southern Biofe Biofuels Pvt Limited	India	99.97%

Taxes on Income

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

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

The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one

accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognized only if there is virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance.

NOTES TO FINANCIAL STATEMENTS:

27. Share Capital:

- The Equity Share Capital of the company as on 31st March, 2013 is 3,46,13,815 Equity Shares of Rs. 10/- each fully paid up.

During the year:

- During the year 2012-13, an amount of Rs. 9,84,40,593/- was received towards Share application money pending for allotment.

28. Contingent Liabilities :

i. Bank Guarantees:

The Company has outstanding guarantees and counter guarantees of Rs.1,67,98,799/- as on 31.03.2013 (previous year ended 31.3.2012 is Rs.1,67,98,799/-) to bank, in respect of the guarantees given by the bank in favour of The President of India, Government of India, acting through the Telegraph Authority, and Ministry of Railways , Indian Railways Organization for Alternative Fuels (IROAF).

ii. Letters of Credits

The Company has outstanding Letter of Credit to the extent of Rs 32,48,92,159/-

29. Secured Loans

- a) The Company's ISP Division has Over Draft facility to the tune of Rs 35 Lakhs with Bank of India which is secured against book debts of ISP division of the company.
- b) The Company's Bio Diesel Division has Working Capital facility to the tune of Rs 3500 Lakhs which is secured against Stock and debtors of Biodiesel division of the company.
- c) During the financial year the following credit facilities have been sanctioned by consortium banks (Bank of India, State Bank of Hyderabad, UCO Bank and Punjab National Bank) which is secured by way of charge on the fixed assets of the Company and personal guarantees of the Directors.
 - 1) Rs 36.00 Cr non fund based Letter of Credit limit.
 - 2) Working capital enhancement from Rs 22.85 Cr to Rs 35.00 Cr

30. Bio Diesel plant at Visakhapatnam:

Bio-diesel at Visakhapatnam is shut down due to major modification and up-gradation of the technology till January 2013. Hence Interest and depreciation has not been charged to profit and loss account during the period of shut down. Interest on term loans of the plant has been capitalized, during that shutdown period.



31. Investments

During the year 2004-05 the Company has invested 3,43,097 Equity Shares of Rs.10/- each fully paid in Southern Biofe Biofuels Private Limited a 99.97% subsidiary company. No other investments were made by the company.

32. Segment Reporting

The activities/ segments of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Bio Diesel and others (Used Cooking Oil trading and IROAF Contract.)

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

Business Segments

(Rs In Lakhs)

Statement of Profit and loss for the year ended 31.03.2013	ISP		Bio Diesel		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues	327.77	306.91	7,036.80	7,448.02	6,942.26	1,369.52	14,306.83	9,124.45
Identifiable Operating Expenses	206.11	172.56	894.94	1,375.51	6,204.85	1,273.18	7,305.90	2,821.25
Allocated Expenses	112.56	154.33	6,095.28	7,818.61	292.24	35.25	6,500.09	8,008.19
Segmental Operating Income	9.10	(19.98)	46.58	(1,746.10)	445.17	61.09	500.85	(1,704.99)
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	9.10	(19.98)	46.58	(1,746.10)	445.17	61.09	500.85	(1,704.99)
Interest Expenses	12.28	11.54	1,090.55	1,667.28	30.14	2.17	1,132.97	1,680.99
Other Income	2.80	-	1.99	14.59	22.99	12.17	27.78	26.76

Statement of Profit and loss for the year ended 31.03.2013	ISP		Bio Diesel		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Net profit before taxes and prior period items	(0.38)	(31.52)	(1,041.98)	(3,398.79)	438.02	71.09	(604.34)	(3,359.22)
Provision for taxation	-	-	-	-	-	-	-	-
Prior period Items	-	-	-	-	-	-	-	-
Net profit after taxes and before exceptional items	(0.38)	(31.52)	(1,041.98)	(3,398.79)	438.02	71.09	(604.34)	(3,359.22)
Exceptional items	-	-	-	-	-	-	-	-
Profit after tax and exceptional items	(0.38)	(31.52)	(1,041.98)	(3,398.79)	438.02	71.09	(604.34)	(3,359.22)

Geographical Segments

(Rs. In Lakhs)

Revenues	March 31,2013	March 31,2012
India	6,109.07	8,487.28
Outside India	8,197.76	637.18
Total	14,306.83	9,124.46

33. 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.

(Rs. In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liability		
a) Opening Balance 01.04.2012	821.65	589.86
b) Deferred Tax Expense/ Income:		
Depreciation differential	355.97	231.79
Total (C)	1,177.62	821.65

34. Foreign Exchange Earnings

(Rs. In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Export of Goods	8,197.76	637.18
Total	8,197.76	637.18



35. Foreign Exchange Outflow (Rupees)

Particulars	As at 31.03.2013	As at 31.03.2012
Foreign Travel	5,32,722	10,50,606
For Purchases	65,57,72,786	6,85,08,481
Membership Fee	3,21,706	2,73,408
Total	65,66,27,214	6,98,32,495

36. Directors' Remuneration

The Managerial remuneration paid or provided in accordance with Schedule XIII of the Companies Act, 1956 to the Directors is as follows:

(Rupees)

Particulars	31.03.2013	31.03.2012
Salary & Allowances (Whole Time Director)	55,20,000	55,20,000

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

37. Remuneration to Auditors (Rupees)

Particulars	31.03.2013	31.03.2012
Audit Fees	1,00,000	1,00,000
Total	1,00,000	1,00,000

38. Details of Quantitative Information:

The Company is engaged in the Internet Service Provider (ISP) services. The ISP services are not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details required under paragraph 3 and 4C of part II of the schedule VI of the Companies Act, 1956. In respect of Bio Diesel Division the quantitative information is as follows:

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	280 TPD		280 TPD	
C	Finished Goods				
	Bio Diesel				
	Opening Stock	113,830	46.30	1,727,720	713.07
	Production During the Year	10,353,053	4,809.48	14,605,636	6,256.03
	Stock Transfer	-	-	-	-
	Sales During the year	9,089,770	4,031.59	16,100,206	6,604.42
	Sludge & Fatty	3,000	0.30	116,320	45.25

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
	Home consumption	-	-	-	-
	Closing Stock of Bio Diesel	1,374,113	623.60	113,830	46.30
	Glycerine				
	Opening Stock	895,855	396.38	709,591	354.80
	Production During the Year	921,099	420.12	1,050,135	420.45
	Sales During the year	681,790	171.11	807,648	211.21
	Stock Transfer	-	-	-	-
	Consumption for Estrified Oil	-	-	56,223	21.85
	Closing Stock of Glycerine	1,135,164	537.28	895,855	396.38
	Cake				
	Opening Stock	-	-	1,145,119	74.81
	Production During the Year	-	-	-	-
	Sales During the year	-	-	1,145,119	74.81
	Closing Stock of Cake	-	-	-	-
	Estrified Oil				
	Opening Stock	30,429	11.98	141,689	53.84
	Production During the Year	2,473,642	1,164.91	417,210	166.34
	Sales During the year	2,452,994	1,107.65	508,470	205.38
	Consumption for Bio-Diesel	-	-	20,000	7.60
	Closing Stock of Estrified Oil	51,077	23.57	30,429	11.98
	Bio-Diesel Residue				
	Opening Stock	426	0.18	331,502	139.06
	Production During the Year	61,808	25.93	926,142	388.52
	Sales During the year	-	-	651,580	161.40
	Consumption for Bio-Diesel	-	-	605,638	254.06
	Closing Stock of Bio-Diesel Residue	62,234	26.11	426	0.18
	Sludge & Fatty Acid Oil				
	Opening Stock	33,722	7.00	84,596	23.36
	Production During the Year	245,966	58.04	553,587	111.29
	Sales During the year	241,915	52.84	521,126	108.79
	Consumption for Bio-Diesel	-	-	83,335	23.14
	Closing Stock of Sludge & Fatty	37,773	8.67	33,722	7.00
	Processed UCO				
	Opening Stock	-	-	-	-
	Production during the year	3,772,701	1,886.35	-	-

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
D	Sales during the year	3,216,547	1,569.29	-	-
	Closing stock of processed UCO	556,154	278.08		
	RAW MATERIAL CONSUMED				
	Seeds				
	Opening Stock	14,791	1.57	42,321	4.50
	Purchased During the Year	-	-	-	-
	Sales During the year	-	-	27,530	2.93
	Closing Stock of Seeds	14,791	1.57	14,791	1.57
	Tallow				
	Opening Stock	105,123	40.36	2,738,175	1,079.18
	Purchased During the Year	4,196,128	1,833.11	4,204,666	1,625.01
	Consumed During the year	4,100,331	1,785.55	6,837,503	2,663.84
	Closing Stock of Tallow	200,920	87.91	105,123	40.36
	Palm Stearine				
	Opening Stock	248,517	95.44	644,133	223.02
	Purchased During the Year	4,614,624	1,530.19	5,215,655	2,070.41
	Consumed During the year	4,835,742	1,615.96	5,611,271	2,197.99
	Closing Stock of Palm Stearine	27,399	9.67	248,517	95.44
	Fatty Acid Oil				
	Opening Stock	5,114	1.83	70,010	23.54
	Purchased During the Year	654,835	211.91	326,050	111.59
	Consumed During the year	629,425	203.86	407,266	138.09
	Closing Stock of Fatty Acid Oil	30,524	9.88	5,114	1.83
	RB Spent Earth Oil				
	Opening Stock	-	-	302,279	112.80
	Purchased During the Year	-	-	-	-
	Sale of Spent Earth Oil	-	-	9,470	0.05
Consumed During the year	-	-	292,809	112.75	
Closing Stock of Spent Earth Oil	-	-	-	-	
Cotton seed Oil					
Opening Stock	109,541	43.66	65,461	26.81	
Purchased During the Year	-	-	200,280	79.11	
Consumed During the year	109,541	43.66	156,200	62.26	
Closing Stock of Cotton seed Oil	-	-	109,541	43.66	
Rice Bran Oil					
Opening Stock	593,838	235.25	8,368	2.54	

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
	Purchased During the Year	2,308,904	1,010.30	1,029,135	385.74
	Sale of RB Oil	-	-	250,070	35.71
	Consumed During the year	2,600,729	1,117.15	209,635	122.36
	Closing Stock of Rice Bran Oil	302,013	128.41	593,838	235.25
	Used Cooking Oil				
	Opening Stock	195,250	75.70	105,330	31.60
	Purchased During the Year	3,360,228	1,508.60	195,250	84.94
	Consumed During the year	3,222,802	1,437.81	105,330	40.84
	Closing Stock of Used Cooking Oil	332,676	146.49	195,250	75.70
	Palm Sludge Oil				
	Opening Stock	-	-	97,698	21.17
	Purchased During the Year	-	-	-	-
	Consumed During the year	-	-	97,698	21.17
	Closing Stock of Palm Sludge Oil	-	-	-	-
	R B Acid Oil				
	Opening Stock	40,272	13.13	16,460	6.27
	Purchased During the Year	-	-	769,805	251.01
	Sale of RB Acid Oil	-	-	11,720	3.63
	Consumed During the year	-	-	718,233	235.48
	Closing Stock of R B Acid Oil	40,272	13.13	40,272	13.13

39. DETAILS OF RELATED PARTY TRANSACTION

The company has entered into the following related party transactions as on 31st March, 2013 such parties and transactions are identified as per Accounting Standard 18

(a) The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97% Subsidiary
Mr. N. Satish Kumar	Managing Director
Mr. K. Radha Krishna	Director Finance
Mr. B. Sreedhara Reddy	Director Administration
Mr. B.H.R. Balaji	Executive Director
Mr. K. Tejesh Kumar	Promoter
Mr. K. Venkateswara Rao	Promoter





b) The following are the related party transactions: (Rs. In lakhs)

Name of the Party	Relationship	Nature of Transaction	Amount	Amount
			31.03.13	31.03.12
Mr. N. Satish Kumar	Managing Director	Remuneration	19.20	19.20
Mr. K. Radha Krishna	Director Finance	Remuneration	12.00	12.00
Mr. B. Sreedhara Reddy	Director Administration	Remuneration	12.00	12.00
Mr. B.H.R. Balaji	Executive Director	Remuneration	12.00	12.00

40. PRIOR PERIOD ITEMS: NIL

41. Confirmations were obtained from debtors/ creditors as to the balances receivable/ payable to them as at year ended 31st March, 2013.

42. 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 earning per share is the weighted average number of shares outstanding during the year. (Rupees)

Particulars	31.03.2013	31.03.2012
Total No. of Shares outstanding (nos.)	3,46,13,815	3,46,13,815
Total No. of Shares outstanding (weighted Average)	3,46,13,815	3,46,13,815
Profit after taxes before exceptional items	(6,04,34,407)	(33,59,20,709)
Profit after taxes after exceptional items	(6,04,34,407)	(33,59,20,709)
EPS before Non-recurring and exceptional items (Weighted Average)	(1.75)	(9.70)
EPS after Non-recurring and exceptional items (Weighted Average)	(1.75)	(9.70)

43. Gratuity and leave encashment

Gratuity provision : During the year the Company has provided for gratuity on actuarial valuation basis to comply with AS 15 (Revised 2005)

44. In respect of Subsidiary Company there are no transaction carried out during the year under audit.

45. Previous year figures have been regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE
for P. Murali & Co.,
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD
for Southern Online Bio Technologies Ltd

Sd/-
P. Murali Mohana Rao
Partner.

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director Finance

Place: Hyderabad
Date : 27.05.2013

Sd/-
G. Anupama
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

Particulars	Year Ended 31.03.2013 (Rs. in Lacs)	Year Ended 31.03.2012 (Rs. in Lacs)
A . CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(604.34)	(3,359.21)
Adjustments for:		
Depreciation	229.58	652.97
Written off Expense	42.28	55.29
Interest	1,132.97	1,680.99
Operating Profit before working capital charges	800.49	(969.96)
Increase in Loans and Advances	696.26	(53.22)
Trade and other receivables	(2,158.80)	(1,069.55)
Inventories	(970.57)	2,317.49
Trade payables	1,132.05	(1,255.20)
Cash generated from operations	(500.57)	(1,030.44)
Interest paid	1,132.97	1,680.99
Cash flow before extraordinary items - (A)	(1,633.54)	(2,711.43)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	(105.00)	105.00
Purchase of Fixed Assets	1,434.30	38.74
Net cash used in investing activities - (B)	1,329.30	143.74
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase / decrease in Secured Loans	1,830.40	2,618.30
Increase in Share Application amount	984.41	625.00
Net Cash used in Financing activities - (C)	2,814.81	3,243.30
Net increase in cash and cash equivalents - (A-B+C)	(148.03)	388.13
Cash and Cash equivalents as at (Opening Balance)	405.20	17.07
Cash and Cash equivalents as at (Closing Balance)	257.17	405.20

AS PER OUR REPORT OF EVEN DATE
for **P. Murali & Co.,**
Chartered Accountants

Sd/-
P. Murali Mohana Rao
Partner.

Place: Hyderabad
Date : 27.05.2013

FOR AND ON BEHALF OF THE BOARD
for **Southern Online Bio Technologies Ltd**

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director Finance

Sd/-
G. Anupama
Company Secretary



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**STANDALONE
FINANCIAL
SECTION**

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To The Members

SOUTHERN ONLINE BIOTECHNOLOGIES LIMITED

We have audited the accompanying Standalone financial statements of **SOUTHERN ONLINE BIOTECHNOLOGIES LIMITED** ("the Company") and its subsidiaries, which comprises of the standalone Balance Sheet as at 31st March, 2013 and the Standalone Statement of Profit & Loss Account and Standalone Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance on internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financials statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditors considers internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 management, as well as evaluating the over all presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner as required and give a true and fair view in conformity with the accounting principles generally accepted in India ;

- (a) In the case of the Standalone Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;



- (b) In the case of the Standalone Profit & Loss Account, of the Loss for the year ended on that date; And
- (c) In the case of the Standalone Cash Flow, of the cash flows for the year ended on that date;

Report on Other Legal and Regulatory Requirements:

3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. As required by section 227(3) of the Act, we report that:
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement comply with the Accounting standards referred to in sub-section (3C) of Section 211 of Companies Act, 1956;
- (e) On the basis of written representations received from the Directors, as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For P.Murali & Co.,,
Chartered Accountants
FRN: 007257S

Sd/-
P. Murali Mohana Rao
(Partner)
Membership No. 023412

Place : Hyderabad
Date : 27.05.2013



ANNEXURE TO THE AUDITORS' REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.
- (c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.
- (d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, overdue Amount of more than rupees one Lac does not arise and the clause is not Applicable.
- (e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.
- (f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.

- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. We have broadly verified the books of accounts and records maintained by the Company pursuant to the Order made by the Central Government for the maintenance of the cost records under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- IX.(a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Customs duty, Excise duty and Cess, and other applicable statutory dues with the appropriate authorities during the year. According to information and explanations given to us there are no arrears of statutory dues as at 31st March 2013 which were outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has got accumulated losses at the end of the financial year and the company has incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has not defaulted in repayment of dues to financial Institutions or Banks.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.

- XIII.** This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi / Mutual Benefit Fund/ Societies.
- XIV.** According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV.** According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .
- XVI.** According to the information and explanations given to us, the Term Loans obtained by the company were applied for the purpose for which such loans were obtained by the company.
- XVII.** According to the information and explanations given to us short term loans obtained by the Company were not applied for Long term purposes.
- XVIII.** According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX.** According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX.** According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI.** According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For P. Murali & Co.,,
Chartered Accountants
FRN: 007257S

Sd/-

P. Murali Mohana Rao

Place : Hyderabad Partner

Date : 27.05.2013 Membership No.023412

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note No	As at 31.03.2013 (Rupees)	As at 31.03.2012 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	346,138,150	346,138,150
(b) Reserves and Surplus	2	(226,307,090)	(130,097,148)
(c) Money received against share warrants			-
(2) Share application money pending allotment	3	160,940,593	62,500,000
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	912,045,262	890,462,701
(b) Deferred tax liabilities (Net)	5	117,940,111	82,164,577
(c) Other Long term liabilities	6	47,125,850	68,363,255
(4) Current Liabilities			
(a) Short-term borrowings	7	459,191,998	297,734,075
(b) Trade payables	8	194,881,495	63,819,848
(d) Short-term provisions	9	24,023,974	20,652,718
Total		2,035,980,343	1,701,738,176
II. Assets			
(1) Non-current assets			
(a) <i>Fixed assets</i>			
(i) Tangible assets	10	1,270,422,031	1,149,960,010
(ii) Intangible assets	11	31,334,114	35,562,269
(iii) Capital work-in-progress		-	10,500,200
(b) Non-current investments	12	3,430,970	3,430,970
(c) Long term loans and advances	13	10,583,552	43,208,417
(d) Other non-current assets	14	51,562,004	57,937,286
(2) Current assets			
(a) Inventories	15	211,843,214	114,786,276
(b) Trade receivables	16	377,029,896	154,774,521
(c) Cash and cash equivalents	17	25,717,169	40,519,770
(d) Short-term loans and advances	18	54,057,393	91,058,457
Total		2,035,980,343	1,701,738,176

Summary of Significant Accounting Policies

The accompanying notes are an Integral Part of the Financial Statements

AS PER OUR REPORT OF EVEN DATE For Southern Online Bio Technologies Ltd.,

For P.Murali & Co.,

Firm Regn. No: 007257S

Chartered Accountants

Sd/-
P.Murali Mohana Rao.

Partner.

Place : Hyderabad

Date : 27.05.2013

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director Finance

Sd/-
G. Anupama
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note No	For the year ended 31.03.2013 (Rupees)	For the year ended 31.03.2012 (Rupees)
I. Revenue from operations	19	1,430,683,143	912,446,209
II. Other Income	20	2,778,096	2,675,846
III. Total Revenue (I +II)		1,433,461,239	915,122,055
IV. Expenses:			
Cost of materials consumed	21	1,258,865,044	704,828,357
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(103,545,517)	89,709,696
Employee benefit expense	23	17,807,722	15,651,999
Other operating expenses	24	139,329,231	161,467,395
Administrative Expenses	25	29,365,983	32,177,999
Financial costs	26	113,297,107	168,099,164
Depreciation and amortization expenses	10 & 11	27,186,149	70,826,479
Other expenses	27	11,589,927	8,281,674
Total Expenses		1,493,895,646	1,251,042,763
V. Profit before exceptional and extraordinary items and tax (III-IV)		(60,434,407)	(335,920,708)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		(60,434,407)	(335,920,708)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		(60,434,407)	(335,920,708)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		35,775,534	23,179,032
XI. Profit (Loss) from the period from continuing operations (IX-X)		(96,209,941)	(359,099,740)
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII-XIII)	-	-	-
XV. Profit/(Loss) for the period (XI + XIV)	-	(96,209,941)	(359,099,740)
XVI. Earning per equity share:			
(1) Basic		(1.75)	(9.70)
(2) Diluted			
Summary of Significant Accounting Policies			
The accompanying notes are an Integral Part of the Financial Statements			
AS PER OUR REPORT OF EVEN DATE For Southern Online Bio Technologies Ltd.,			
For P.Murali & Co.,			
Firm Regn. No: 007257S			
Chartered Accountants			
Sd/-	Sd/-	Sd/-	
	N. Satish Kumar	K. Radha Krishna	
	Managing Director	Director Finance	
Sd/-		Sd/-	
P.Murali Mohana Rao.		G. Anupama	
Partner.		Company Secretary	
Place : Hyderabad			
Date : 27.05.2013			



NOTES TO STANDALONE FINANCIAL STATEMENTS

NOTE NO. 1 : SHARE CAPITAL

S. NO.	Particulars	As at 31.03.2013		As at 31.03.2012	
		No. of Shares	Rupees	No. of Shares	Rupees
A	Share Capital (For each class of capital)				
	(a) Authorised	75,000,000	750,000,000	75,000,000	750,000,000
	(b) Issued	34,613,815	346,138,150	34,613,815	346,138,150
	(c) Subscribed & Fully Paid Up	34,613,815	346,138,150	34,613,815	346,138,150
	(d) Subscribed & not fully paid up	-	-		-
	(e) Par value per share Rs. 10/-				
	Total Equity Share capital		346,138,150		346,138,150
	Total Share capital		346,138,150		346,138,150
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	
	Equity Shares of Rs.10/-Each, Fully paid up :				
	At the Beginning		34,613,815		33,313,815
	Issued during the year - Pref Issue		-		
	Forfeited / Bought Back during the year		-		-
	At the end		34,613,815		34,613,815
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) 21,76,792 No. of Shares (P.Y)21,76,792.		6.29		6.29
	(b) Share Holder - National west minister bank PLC as Trustee of Jupiter Ind- No. of Shares (C.Y) 20,00,000 No. of Shares (P.Y) 20,00,000		5.78		5.78
	(c) Share Holder - Mavi Investments No. of Shares (C.Y) 18,90,618 No. of Shares (P.Y) 18,90,618.		5.46		5.46

NOTE NO. 2 : RESERVES AND SURPLUS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	RESERVES AND SURPLUS		
	a) Securities Premium Reserve As at the commencement of the year	253,187,500	253,187,500
		253,187,500	253,187,500
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(419,945,425)	(60,845,685)
	Add: Transfer from Profit & Loss Account	(96,209,941)	(359,099,740)
		(516,155,366)	(419,945,425)
	c) Share warrants forfeited premium :		
	As at the commencement of the year	33,163,000	-
	Add: Additions during the year	-	33,163,000
		33,163,000	33,163,000
	d) VAT Subsidy Received	3,497,777	3,497,777
	Total Reserves and Surplus	(226,307,089)	(130,097,148)

NOTE NO. 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
1	Share Application Money		
	Opening Balance	62,500,000	62,500,000
	Add: Received during the year	98,440,593	-
	Total	160,940,593	62,500,000

NOTE NO. 4 : LONG TERM BORROWINGS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Long Term borrowings		
	a) Term loans:		
	From banks:		
	Secured		
	Bank of India, Banjara hills, - Loan for Flats (Secured by Hypothecation of the Flats of the company)	3,287,209	3,636,675
	Bank of India, Banjara hills, - Term Loan. (Secured by total Plant & Machinery of the company)	532,452	9,986,306
	HDFC Bank of India - Vehicle. (Hypothecation of Vehicle of the company)	-	179,359
	Axis Bank - Vehicle. (Hypothecation of Vehicle of the company)	-	286,089
	SBH - Vehicle. (Hypothecation of Vehicle of the company)	290,788	527,536
	TERM LOANS - (BOI,SBH,UCO) (Hypothecation of Vehicle of the company)	844,909,830	875,351,753
	Unsecured	58,494,983	494,983
	b) Loans and Advances from related parties	4,530,000	-
	Total long term borrowings	912,045,262	890,462,701

NOTE NO. 5 : DEFERRED TAX LIABILITY (NET)

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Opening Deferred tax Liability	82,164,577	58,985,545
	Add: Deferred Tax Liability for the year (Due to SLM and WDV Difference)	35,775,534	23,179,032
	Deferred Tax Liability for the year (Due to others)	-	-
	Deferred Tax Liability / (Asset) - Net	117,940,111	82,164,577

NOTE NO. 6 : OTHER LONG TERM LIABILITES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Trade Payables & Others	6,179,479	-
	Advance from Customers	10,070,531	68,363,255
	Other Liabilities	30,875,840	-
	Total other long term liabilities	47,125,850	68,363,255

NOTE NO. 7 : SHORT TERM BORROWINGS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Short term borrowings		
	a) Loans repayable on demand:		
	From banks		
	Secured	299,213,998	232,064,075
	b) Other loans and advances		
	Secured	159,978,000	65,670,000
	Total short term borrowings	459,191,998	297,734,075

NOTE NO. 8 : TRADE PAYABLES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	a) Trade Payables	194,881,495	63,819,848
	Total Trade Payables	194,881,495	63,819,848

NOTE NO. 9 : SHORT TERM PROVISIONS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	a) Provisions for employee benefits		
	PF Payable	2,384,114	229,791
	Salaries Payable	4,846,517	3,739,691
	b) Others		
	Statutory Liabilities	13,411,913	11,706,840
	Provision for expenses	3,381,430	4,976,396
	Total short term provisions	24,023,974	20,652,718

STANDALONE NOTE NO 10 & 11
FIXED ASSETS AS ON 31ST March 2013

Sl. No.	Name of the Asset	Fixed Assets							Depreciation				Net Block as on 31.03.2013	Net Block as on 31.03.2012
		Op Balance As on 01.04.2012	Addition during the year	Additions Through business Acquisitions	Capita-lized During the year	Sales/ Deletions during the year	As on 31.03.2013	Rate of Depre-ciation	Opening Balance	Depreciation for the year	Impair-ment Loss/ reversal of impair-ment loss for the year	Total		
1	Land & Site Development	54,649,032	-	-	-	-	54,649,032	-	-	-	-	-	54,649,032	54,649,032
2	Buildings	168,827,302	1,088,368	-	-	326,180	169,589,490	3.34%	11,736,866	1,848,071	-	13,389,229	156,200,261	157,090,436
3	Plant & Machinery	1,039,656,353	130,313,733	-	10,500,200	-	1,180,470,286	5.28%	123,404,899	19,758,906	-	143,163,806	1,037,306,480	916,251,454
4	Office Equipment	2,599,687	938,178	-	-	-	3,537,865	6.33%	966,335	144,070	-	1,110,406	2,427,459	1,633,352
5	Computers	87,648,396	660,064	-	-	4,079,525	84,228,935	16.21%	85,855,100	119,204	-	82,456,575	1,772,360	1,793,296
6	Furniture & Fixtures	5,496,562	611,741	-	-	-	6,108,303	6.33%	1,824,403	283,434	-	2,107,836	4,000,467	3,672,159
7	Vehicles	18,671,445	-	-	-	-	18,671,445	9.50%	3,801,164	804,309	-	4,605,473	14,065,972	14,870,281
	TOTAL	1,377,548,777	133,612,084	-	10,500,200	4,405,705	1,517,255,356	-	227,588,767	22,957,994	-	246,833,325	1,270,422,031	1,149,960,010
8	Intangible Fixed Assets													
	Technical Know	7,896,908	-	-	-	-	7,896,908	-	7,456,754	440,155	-	7,896,909	-	440,154
	Pre Issue Expenses	39,072,115	-	-	-	-	39,072,115	-	3,950,000	3,788,000	-	7,738,000	31,334,114	35,122,115
	TOTAL	46,969,023	-	-	-	-	46,969,023	-	11,406,754	4,228,155	-	15,634,909	31,334,114	35,562,269
9	Capital Work in Progress	10,500,200	-	-	(10,500,200)	-	-	-	-	-	-	-	-	10,500,200
	TOTAL	1,435,018,000	133,612,084	-	-	4,405,705	1,564,224,379	-	238,995,521	27,186,149	-	262,468,234	1,301,756,145	1,196,022,479

NOTE NO. 12 : NON- CURRENT INVESTMENTS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Non-Current Investments		
	1) Investment in Subsidiaries		
	a) Equity Shares		
	(Southern Biofe Biofuels Pvt Ltd-99.97% holding)	3,430,970	3,430,970
	Total Non - Current Assets (Net)	3,430,970	3,430,970

NOTE NO. 13 : LONG TERM LOANS AND ADVANCES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Long - term loans and advances:		
	a) Capital advance		
	Secured	-	31,999,800
	b) Security Deposit		
	Secured	10,583,552	11,208,617
	Total Long term loans & advances (net)	10,583,552	43,208,417

NOTE NO.14 : OTHER NON - CURRENT ASSETS

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Long term Trade receivable		
	(Including trade receivables on deferred credit basis)		
	Unsecured considered good	51,562,004	57,937,284
	Total non-current assets (net)	51,562,004	57,937,284



NOTE NO. 15 : INVENTORIES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Inventories :		
	a) Raw materials		
	Palm Steraine	967,229	9,543,903
	Mutton Tallow	8,791,064	4,035,765
	Cotton Seed Oil.	-	4,366,125
	Rice Bran Oil.	12,840,843	23,525,310
	Used Cooking Oil.	14,649,058	7,570,165
	Palm Sludge Oil	1,313,160	-
	RB Acid oil.	-	1,313,161
	Seeds.	157,363	157,365
	Fatty Acid Oil.	987,760	183,484
	Material-Chemicals & Consumables	12,781,286	8,641,095
	Sub Total (A)	52,487,763	59,336,373
	b) Work - in - progress		
	Bio Diesel.	2,662,776	850,286
	Sub Total (B)	2,662,776	850,286
	c) Finished goods		
	Bio Diesel.	59,697,304	3,779,413
	Glycerine.	53,727,547	39,638,266
	Processed UCO	27,807,700	-
	Estrified Oil .	2,356,575	1,198,381
	Bio Diesel Residue.	2,610,716	17,871
	Sludge and Fatty Acid.	867,144	700,028
	Sub Total (C)	147,066,986	45,333,959
	d) Stores and spares	9,625,689	9,265,658
	Total Inventories (A + B + C)	211,843,214	114,786,276

NOTE NO. 16 : TRADE RECEIVABLES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Other than Receivables (Less than Six months) Unsecured, Considered Good	377,029,896	154,774,521
	Total Trade Receivables (net)	377,029,896	154,774,521

NOTE NO.17: CASH AND BANK BALANCES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	25,650,417	38,573,664
	B) Cash on hand	66,752	1,946,106
	Total Cash and Cash Equivalents	25,717,169	40,519,770

NOTE NO. 18 : SHORT TERM LOANS AND ADVANCES

S.No.	Particulars	As at 31.03.2013	As at 31.03.2012
		Rupees	Rupees
I	Short Term loans and Advances		
	a) Security Deposit	-	-
	Secured - LC Margin	36,853,000	-
	b) Other loans and Advances	-	
	Secured - Raw Materials etc	1,189,800	91,058,457
	Unsecured	16,014,593	-
	Total short term loans & advances (net)	54,057,393	91,058,457

NOTE TO STANDALONE FINANCIAL STATEMENTS
NOTE NO. 19 : REVENUE FROM OPERATIONS

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Revenue from operations in respect of non-finance company		
	(a) Sale of Products	549,090,107	746,599,215
	(b) Export sale of products	156,928,825	-
	(c) Sale of Services	32,777,117	30,691,465
	(d) Other Operating Revenues	694,225,786	136,952,388
	Less: Excise Duties	2,338,692	1,796,859
	Total Revenue from Operations	1,430,683,143	912,446,209

NOTE NO. 20 : OTHER INCOME

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Other non-operating income (net of expenses directly attributed to such income)	198,779	1,459,039
	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	2,579,317	1,216,807
	Total Other Income	2,778,096	2,675,846

NOTE NO. 21 : COST OF MATERIALS CONSUMED

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Material		
	Palm Steraine	161,596,060	219,799,259
	Mutton Tallow	178,555,226	266,383,677
	Cotton Seed Oil.	4,366,125	6,225,880
	Rice Bran Oil.	111,714,941	15,806,572
	Used Cooking Oil.	143,781,170	4,083,820
	Palm Sludge Oil	-	2,116,616
	RB Acid oil.	-	23,911,338
	RB Spent earth oil.	-	11,280,158
	Seeds.	-	292,895
	Fatty Acid Oil.	20,386,270	13,809,422
	Waste Oils	-	461,400
	Used Cooking Oil (Cross country purchases)	579,315,224	53,437,833
	Chemicals	34,750,028	19,999,925
		1,234,465,044	637,608,795
	IROAF Sub contract Expenses	24,400,000	67,219,562
		24,400,000	67,219,562
	Total Cost Of Material Consumed	1,258,865,044	704,828,357

NOTE NO. 22 : CHANGE IN INVENTORIES & WIP.

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Finished Goods	-	
	Finished goods at the beginning of the year	45,333,959	128,708,857
	Less : Finished goods at the end of the year	147,066,986	45,333,959
	Sub Total (A)	(101,733,027)	83,374,898
	Work in Progress	-	
	Work in progress at the beginning of the year	850,286	7,185,084
	Less : work in progress at the end of the year	2,662,776	850,286
	Sub Total (B)	(1,812,490)	6,334,798
	(Increase) / Decrease in Inventories (A+B)	(103,545,517)	89,709,696

NOTE NO. 23 : EMPLOYEE BENEFIT EXPENSES (AGGREGATE EXPENDITURE)

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Salaries & Wages	11,545,006	10,455,499
	(b) Contribution to Provident & Other Funds	1,970,178	1,973,107
	(c) Staff Welfare Expenses	4,292,538	3,223,393
	Total Employee Benefit Expenses	17,807,722	15,651,999

NOTE NO. 24 : OTHER OPERATING EXPENSES

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Consumption of Stores & Spares	3,154,942	47,355,520
	(b) Power & Fuel	43,778,679	50,223,010
	(c) Rent	821,854	758,798
	(d) Repairs to Machinery	4,351,966	5,645,933
	(e) Insurance	2,440,781	1,529,138
	(f) Rates & Taxes (excluding Income Tax)	431,579	319,873
	(g) Bandwidth	18,007,595	14,846,994
	(h) Other Mfg Expenses	20,690,150	16,139,058
	(i) Factory Wages	17,001,075	18,734,732
	(j) Shipping charges	28,550,610	5,814,339
	(k) Payment to Auditors		
	(i) For Taxation matters	40,000	40,000
	(ii) For Company law matters	20,000	20,000
	(iii) For Management Services	20,000	20,000
	(iv) For other Services	20,000	20,000
	Total Other Expenses	139,329,231	161,467,395

NOTE NO. 25 : ADMINSTRATIVE EXPENSES

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Telephone, Postage and Others	1,839,509	1,561,434
	(b) Business Promotion Expenses	24,481	2,471,271
	(c) Conveyance	12,044,699	13,417,702
	(d) Office Maintenance	1,439,976	645,709
	(e) Printing & Stationery Expenses	286,668	527,473
	(f) Security Charges	792,562	674,994
	(g) Rates & Taxes (excluding Income Tax)	2,853,089	5,276,707
	(h) Managerial Remuneration	5,520,000	5,520,000
	(i) Consultancy Charges	2,449,021	1,595,109
	(j) Gen Expenses	1,130,181	-
	(k) Director Sitting Fee/Board Meeting Expenses	985,797	487,600
	Total Administrative Expenses	29,365,983	32,177,999

NOTE NO. 26: FINANCE COST

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	(a) Interest Expenses :		
	- Interest on Cash Credit	36,018,070	71,760,443
	- Interest on Car Loan / Term Loan	61,754,194	86,488,001
	- Interest on Unsecured Loans	2,414,000	-
	- Loan processing Charges & Bank Charges	7,519,799	9,850,720
	(b) Other borrowing Costs-LC	5,591,044	-
	Total Finance Cost	113,297,107	168,099,164

NOTE NO. 27 : OTHER EXPENSES

S.No.	Particulars	for the year ended	for the year ended
		31.03.2013	31.03.2012
		Rupees	Rupees
I	Other expenses		
	General Expenses	20,246	676,331
	Loss on Chits	-	1,250
	Advertisements	15,000	36,260
	Collection Expenses	228,000	228,870
	Commission & Discounts	7,523,070	3,698,510
	Freight Charges	46,180	3,640,453
	Business Promotion Expenses	3,757,431	-
	Total Other expenses	11,589,927	8,281,674

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies and Notes to the accounts for the year ended 31st March 2013.

Significant Accounting Policies

Preparation of financial statements

The financial statements have been prepared under the historical cost convention, in accordance with generally accepted accounting principles in India.

Method of Accounting

The Company follows the accrual system of accounting and recognizes income and expenditure on accrual basis.

Fixed assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes freight, duties and taxes and other expenses related to acquisition and installation. Pre-operative expense incurred during the construction period capitalized.

Investments

Investments are either classified as current or long-term based on the management's intention at the time of purchase. Long-term investments in subsidiary is carried at cost. Provisions are made to recognize any permanent decline in the carrying value of each investment.

Inventories

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

Revenue Recognition

The Company follows the mercantile system of Accounting and recognizes income and expenditure on accrual basis.

Revenue is not recognized on the grounds of prudence, until realized in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

Sales are shown at net of sales tax / services tax. These taxes are recognized consistently as a liability.

Interest income is recognized using the time proportion method, based on the transactional interest rates.

Commission income is due on rendering of services.

Depreciation and Amortization

Depreciation has been provided in the current year as per Straight Line Method on fixed assets at the specific rates prescribed in Schedule XIV of the Companies Act, 1956.



Foreign Exchange Transactions

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

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

Retirement Benefits

The Company has not taken actuarial calculation reports towards Gratuity and leave encashment liability. In the books of accounts there was no provision made. However the Company is making payment in accrual basis from time to time.

Taxes on Income

The expenses for the year comprise of current tax and deferred tax

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

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

NOTES TO FINANCIAL STATEMENTS:

27. Share Capital:

- The Equity Share Capital of the company as on 31st March, 2013 is 3,46,13,815 Equity Shares of Rs. 10/- each fully paid up.

During the year:

- During the year 2012-13, an amount of Rs. 9,84,40,593/- was received towards Share application money pending for allotment.

28. Contingent Liabilities :

(i) Bank Guarantees:

The Company has outstanding guarantees and counter guarantees of Rs.1,67,98,799 /- as on 31.03.2013 (previous year ended 31.3.2012 is Rs. 1,67,98,799/-) to bank, in respect of the guarantees given by the bank in favour of The President of India, Government of India, acting through the Telegraph Authority, Ministry of Railways , Indian Railways Organization for Alternative Fuels (IROAF).

(ii) Letter of Credit

The Company has outstanding Letter of Credit to the extent of Rs 32,48,92,159/-

29. Secured Loans

- a) The Company's ISP division has a Over Draft facility to the tune of Rs 35 Lakhs with Bank of India. which is secured against book debts of ISP Division of the company.
- b) The Company's Bio Diesel has a Working Capital facility to the tune of Rs 3500 Lakhs which is secured against stock and Debtors of the Company.
- c) During the financial year the following credit facilities have been sanctioned by consortium banks (Bank of India, State Bank of Hyderabad, UCO Bank and Punjab National Bank)which is secured by way of charge on the fixed assets of the Company and personal guarantees of the Directors.
 - (i) Rs 36.00 crores non fund based Letter of Credit limit.
 - (ii) Working Capital enhancement from Rs 22.85 Cr to Rs 35.00 Cr.

30. Bio Diesel plant at Visakhapatnam

Bio diesel at Visakhapatnam is shut down due to major modification and up gradation of the technology till January 2013. Hence Interest and depreciation has not been charged to profit and loss account during the period of shut down. Interest on term loans of the plant has been capitalized during that shut down.

31. Investments

During the year 2004-05 the Company has invested in 3,43,097 Equity Shares of Rs.10/- each fully paid in Southern Biofe Biofuels Private Limited a 99.97% Subsidiary Company. No other investments were made by the company.

32. Segment Reporting

The activities/segments of the Company can be broadly classified into Internet Service Provider (ISP), Manufacturing of Bio Diesel and others (Used Cooking Oil Trading and IROAF Contract)

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:-

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

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

Business Segments

(Rs In Lakhs)

Statement of Profit and loss for the year ended 31.03.2013			Bio Diesel		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues	327.77	306.91	7,036.80	7,448.02	6,942.26	1,369.52	14,306.83	9,124.45
Identifiable Operating Expenses	206.11	172.56	894.94	1,375.51	6,204.85	1,273.18	7,305.90	2,821.25
Allocated Expenses	112.56	154.33	6,095.28	7,818.61	292.24	35.25	6,500.09	8,008.19
Segmental Operating Income	9.10	(19.98)	46.58	(1,746.10)	445.17	61.09	500.85	(1,704.99)
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	9.10	(19.98)	46.58	(1,746.10)	445.17	61.09	500.85	(1,704.99)
Interest Expenses	12.28	11.54	1,090.55	1,667.28	30.14	2.17	1,132.97	1,680.99
Other Income	2.80	-	1.99	14.59	22.99	12.17	27.78	26.76
Net profit before taxes and prior period items	(0.38)	(31.52)	(1,041.98)	(3,398.79)	438.02	71.09	(604.34)	(3,359.22)
Provision for taxation	-	-	-	-	-	-	-	-
Prior period Items	-	-	-	-	-	-	-	-
Net profit after taxes and before exceptional items	(0.38)	(31.52)	(1,041.98)	(3,398.79)	438.02	71.09	(604.34)	(3,359.22)
Exceptional items	-	-	-	-	-	-	-	-
Profit after tax and exceptional items	(0.38)	(31.52)	(1,041.98)	(3,398.79)	438.02	71.09	(604.34)	(3,359.22)



Geographical Segments (Rs. In Lakhs)

Revenues	March 31,2013	March 31,2012
India	6,109.07	8,487.28
Outside India	8,197.76	637.18
Total	14,306.83	9,124.46

33. 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.

(Rs. In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liability		
a) Opening Balance 01.04.2012	821.65	589.86
b) Deferred Tax Expense/ Income:		
Depreciation differential	355.97	231.79
Total (C)	1,177.62	821.65

34. Foreign Exchange Earnings (Rs. In Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Export of Goods	8,197.76	637.18
Total	8,197.76	637.18

35. Foreign Exchange Outflow (Rupees)

Particulars	As at 31.03.2013	As at 31.03.2012
Foreign Travel	5,32,722	10,50,606
For Purchases	65,57,72,786	6,85,08,481
Membership Fee	3,21,706	2,73,408
Total	65,66,27,214	6,98,32,495

36. Directors' Remuneration

The Managerial remuneration paid or provided in accordance with Schedule XIII of the Companies Act, 1956 to the Directors is as follows:

(Rupees)

Particulars	31.03.2013	31.03.2012
Salary & Allowances (Whole Time Director)	55,20,000	55,20,000

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



37. Remuneration to Auditors (Rupees)

Particulars	31.03.2013	31.03.2012
Audit Fees	1,00,000	1,00,000
Total	1,00,000	1,00,000

38. Details of Quantitative Information:

The Company is engaged in the Internet Service Provider (ISP) services. The ISP services are not capable of being expressed in any generic unit and hence it is not possible to give the quantitative details required under paragraph 3 and 4C of part II of the schedule VI of the Companies Act, 1956. In respect of Bio Diesel Division the quantitative information is as follows:

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
A	Licensed Capacity	NA		NA	
B	Installed Capacity	280 TPD		280 TPD	
C	Finished Goods				
	Bio Diesel				
	Opening Stock	113,830	46.30	1,727,720	713.07
	Production During the Year	10,353,053	4,809.48	14,605,636	6,256.03
	Stock Transfer	-	-	-	-
	Sales During the year	9,089,770	4,031.59	16,100,206	6,604.42
	Sludge & Fatty	3,000	0.30	116,320	45.25
	Home consumption	-	-	-	-
	Closing Stock of Bio Diesel	1,374,113	623.60	113,830	46.30
	Glycerine				
	Opening Stock	895,855	396.38	709,591	354.80
	Production During the Year	921,099	420.12	1,050,135	420.45
	Sales During the year	681,790	171.11	807,648	211.21
	Stock Transfer	-	-	-	-
	Consumption for Estrified Oil	-	-	56,223	21.85
	Closing Stock of Glycerine	1,135,164	537.28	895,855	396.38
	Cake				
	Opening Stock	-	-	1,145,119	74.81
	Production During the Year	-	-	-	-
	Sales During the year	-	-	1,145,119	74.81
	Closing Stock of Cake	-	-	-	-

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
D	Estrified Oil				
	Opening Stock	30,429	11.98	141,689	53.84
	Production During the Year	2,473,642	1,164.91	417,210	166.34
	Sales During the year	2,452,994	1,107.65	508,470	205.38
	Consumption for Bio-Diesel	-	-	20,000	7.60
	Closing Stock of Estrified Oil	51,077	23.57	30,429	11.98
	Bio-Diesel Residue				
	Opening Stock	426	0.18	331,502	139.06
	Production During the Year	61,808	25.93	926,142	388.52
	Sales During the year	-	-	651,580	161.40
	Consumption for Bio-Diesel	-	-	605,638	254.06
	Closing Stock of Bio-Diesel Residue	62,234	26.11	426	0.18
	Sludge & Fatty Acid Oil				
	Opening Stock	33,722	7.00	84,596	23.36
	Production During the Year	245,966	58.04	553,587	111.29
	Sales During the year	241,915	52.84	521,126	108.79
	Consumption for Bio-Diesel	-	-	83,335	23.14
	Closing Stock of Sludge & Fatty	37,773	8.67	33,722	7.00
	Processed UCO				
	Opening Stock	-	-	-	-
	Production during the year	3,772,701	1,886.35	-	-
	Sales during the year	3,216,547	1,569.29	-	-
	Closing stock of processed UCO	556,154	278.08		
	RAW MATERIAL CONSUMED				
	Seeds				
	Opening Stock	14,791	1.57	42,321	4.50
Purchased During the Year	-	-	-	-	
Sales During the year	-	-	27,530	2.93	
Closing Stock of Seeds	14,791	1.57	14,791	1.57	
Tallow					
Opening Stock	105,123	40.36	2,738,175	1,079.18	
Purchased During the Year	4,196,128	1,833.11	4,204,666	1,625.01	

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
	Consumed During the year	4,100,331	1,785.55	6,837,503	2,663.84
	Closing Stock of Tallow	200,920	87.91	105,123	40.36
	Palm Stearine				
	Opening Stock	248,517	95.44	644,133	223.02
	Purchased During the Year	4,614,624	1,530.19	5,215,655	2,070.41
	Consumed During the year	4,835,742	1,615.96	5,611,271	2,197.99
	Closing Stock of Palm Stearine	27,399	9.67	248,517	95.44
	Fatty Acid Oil				
	Opening Stock	5,114	1.83	70,010	23.54
	Purchased During the Year	654,835	211.91	326,050	111.59
	Consumed During the year	629,425	203.86	407,266	138.09
	Closing Stock of Fatty Acid Oil	30,524	9.88	5,114	1.83
	RB Spent Earth Oil				
	Opening Stock	-	-	302,279	112.80
	Purchased During the Year	-	-	-	-
	Sale of Spent Earth Oil	-	-	9,470	0.05
	Consumed During the year	-	-	292,809	112.75
	Closing Stock of Spent Earth Oil	-	-	-	-
	Cotton seed Oil				
	Opening Stock	109,541	43.66	65,461	26.81
	Purchased During the Year	-	-	200,280	79.11
	Consumed During the year	109,541	43.66	156,200	62.26
	Closing Stock of Cotton seed Oil	-	-	109,541	43.66
	Rice Bran Oil				
	Opening Stock	593,838	235.25	8,368	2.54
	Purchased During the Year	2,308,904	1,010.30	1,029,135	385.74
	Sale of RB Oil	-	-	250,070	35.71
	Consumed During the year	2,600,729	1,117.15	209,635	122.36
	Closing Stock of Rice Bran Oil	302,013	128.41	593,838	235.25
	Used Cooking Oil				
	Opening Stock	195,250	75.70	105,330	31.60
	Purchased During the Year	3,360,228	1,508.60	195,250	84.94

Sl. No.	Quantitative Information	2012-13		2011-12	
		Qty (Kgs/Lts)	Value (Rs in Lakhs)	Qty (Kgs/Lts)	Value (Rs in Lakhs)
	Consumed During the year	3,222,802	1,437.81	105,330	40.84
	Closing Stock of Used Cooking Oil	332,676	146.49	195,250	75.70
	Palm Sludge Oil				
	Opening Stock	-	-	97,698	21.17
	Purchased During the Year	-	-	-	-
	Consumed During the year	-	-	97,698	21.17
	Closing Stock of Palm Sludge Oil	-	-	-	-
	R B Acid Oil				
	Opening Stock	40,272	13.13	16,460	6.27
	Purchased During the Year	-	-	769,805	251.01
	Sale of RB Acid Oil	-	-	11,720	3.63
	Consumed During the year	-	-	718,233	235.48
	Closing Stock of R B Acid Oil	40,272	13.13	40,272	13.13

39 DETAILS OF RELATED PARTY TRANSACTION

The company has entered into the following related party transactions as on 31st March, 2013 such parties and transactions are identified as per Accounting Standard 18

(a) The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97% Subsidiary
Mr. N. Satish Kumar	Managing Director
Mr. K. Radha Krishna	Director Finance
Mr.B. Sreedhara Reddy	Director Administration
Mr. B.H.R.Balaji	Executive Director
Mr. K. Tejesh Kumar	Promoter
Mr. K. Venkateswara Rao	Promoter

(b) The following are the related party transactions: (Rs. In lakhs)

Name of the Party	Relationship	Nature of Transaction	Amount	Amount
			31.03.13	31.03.12
Mr. N. Satish Kumar	Managing Director	Remuneration	19.20	19.20
Mr. K. Radha Krishna	Director Finance	Remuneration	12.00	12.00
Mr.B. Sreedhara Reddy	Director Administration	Remuneration	12.00	12.00
Mr. B.H.R.Balaji	Executive Director	Remuneration	12.00	12.00



40 PRIOR PERIOD ITEMS: NIL

41. Confirmations were obtained from debtors/ creditors as to the balances receivable / payable to them as at year ended 31st March, 2013.

42. 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 earning per share is the weighted average number of shares outstanding during the year.

(Rupees)

Particulars	31.03.2013	31.03.2012
Total No. of Shares outstanding (nos.)	3,46,13,815	3,46,13,815
Total No. of Shares outstanding (weighted Average)	3,46,13,815	3,46,13,815
Profit after taxes before exceptional items	(6,04,34,407)	(33,59,20,709)
Profit after taxes after exceptional items	(6,04,34,407)	(33,59,20,709)
EPS before Non-recurring and exceptional items (Weighted Average)	(1.75)	(9.70)
EPS after Non-recurring and exceptional items (Weighted Average)	(1.75)	(9.70)

43. Previous year figures have been regrouped wherever necessary.

AS PER OUR REPORT OF EVEN DATE
for **P. Murali & Co.,**
Chartered Accountants

Sd/-
P. Murali Mohana Rao
Partner.

Place: Hyderabad
Date : 27.05.2013

FOR AND ON BEHALF OF THE BOARD
for **Southern Online Bio Technologies Ltd**

Sd/-
N. Satish Kumar
Managing Director

Sd/-
K. Radha Krishna
Director Finance

Sd/-
G. Anupama
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

Particulars	Year Ended 31.03.2013 (Rs. in Lacs)	Year Ended 31.03.2012 (Rs. in Lacs)
A . CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(604.34)	(3,359.21)
Adjustments for:		
Depreciation	229.58	652.97
Written off Expense	42.28	55.29
Interest	1,132.97	1,680.99
Operating Profit before working capital charges	800.49	(969.96)
Increase in Loans and Advances	696.26	(53.22)
Trade and other receivables	(2,158.80)	(1,069.55)
Inventories	(970.57)	2,317.49
Trade payables	1,132.05	(1,255.20)
Cash generated from operations	(500.57)	(1,030.44)
Interest paid	1,132.97	1,680.99
Cash flow before extraordinary items - (A)	(1,633.54)	(2,711.43)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	(105.00)	105.00
Purchase of Fixed Assets	1,434.30	38.74
Net cash used in investing activities - (B)	1,329.30	143.74
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Creditors for capital goods		
Increase / decrease in Secured Loans	1,830.40	2,618.30
Increase in Share Application amount	984.41	625.00
Net Cash used in Financing activities - (C)	2,814.81	3,243.30
Net increase in cash and cash equivalents - (A-B+C)	(148.03)	388.13
Cash and Cash equivalents as at (Opening Balance)	405.20	17.07
Cash and Cash equivalents as at (Closing Balance)	257.17	405.20
AS PER OUR REPORT OF EVEN DATE for P. Murali & Co., Chartered Accountants	FOR AND ON BEHALF OF THE BOARD for Southern Online Bio Technologies Ltd	
Sd/- P. Murali Mohana Rao Partner.	Sd/- N. Satish Kumar Managing Director	Sd/- K. Radha Krishna Director Finance
Place: Hyderabad Date : 27.05.2013	Sd/- G. Anupama Company Secretary	





BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details		
Registration Number		01-030463
State Code Number		01
Balance Sheet Date		31 st March 2013
II. Capital Raised During the Year (Amount in Rs Thousands)		
Public Issue		NIL
Right Issue		NIL
Bonus issue		NIL
Private Placement		NIL
Advance share application money		160940
III. Position of Mobilization and Deployment of Funds (Amount in Rs Thousands)		
Total Liabilities		2,035,980
Total Assets		2,035,980
Sources of Funds		
Paid-up Capital		346,138
Reserves & Surplus		(226,307)
Secured Loans		849,020
Unsecured Loans		494
Deferred Income Tax Liability		117,940
Application of Funds		
Net Fixed Assets		1,270,422
Investments		3,430
Net Current Assets		(9,449)
Miscellaneous Expenditure		31,334
Accumulated Losses		516,155
IV. Performance of Company (Amount in Rs Thousands)		
Turnover		1,433,461
Total Expenditure		1,493,895
Profit / Loss Before Tax +(-)		-60,434
Profit / Loss After Tax +(-)		-96,209
Earnings per Share in Rs		-1.75
Dividend Rate %		NIL
V. Generic Names of principal products/ services of Company		
Item Code No. (ITC Code)		NIL
Product Description		ISP Services & Biodiesel
For and on behalf of the Board of Directors		
Sd/-	Sd/-	Sd/-
N.Satish Kumar	K.Radha Krishna	G Anupama
Managing Director	Director - Finance	Company Secretary
Place : Hyderabad		
Date : 27.05.2013		





SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

Regd. Off: 3A, 3rd Floor, Samrat Complex, Saifabad, Hyderabad -500 004

PROXY FORM

Folio No. DP ID No.* Client ID No.*

I/We..... of in the district of being a member/ members of the above named company, hereby appoint Mr./Ms..... in the district of as my/our proxy to attend and vote for me/us on my/our behalf at the **Fifteenth Annual General Meeting** of the Company to be held on Monday the 30th September, 2013 at 10.30 a.m at Dwaraka Conference Hall, Plot No. 73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 030 and at any adjournment thereof.

Signed this..... day of _____ 2013.

Address

Signed

* Applicable for investors holding shares in electronic form.

- NOTE: a. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself.
- b. Proxy need not be a member.
- c. The proxy form duly completed should be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.

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SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

Regd. Off: 3A, 3rd Floor, Samrat Complex, Saifabad, Hyderabad -500 004

ATTENDANCE SLIP

Folio No. DP ID No.* Client ID No.*

No. of Shares held

I hereby record my presence at the **Fifteenth Annual General Meeting** of the Company to be held on Monday the 30th day of September, 2013 at 10.30 a.m at Dwaraka Conference Hall, Plot No.73, Reliance Chambers, Bandlaguda Cross Roads, Rajendra Nagar Mandal, Hyderabad - 500 030

Name of the Shareholder :

Name of the Proxy :

Signature of member/proxy :

- NOTE: 1) To be signed at the time of handing over this slip.
- 2) Members are requested to register their names at least 15 minutes prior to the commencement of the meeting.



Dear Shareholder(s),

Sub: Request for registration of e-mail ID under “Green Initiative” issued by Ministry of Corporate Affairs, Govt of India.

1. The Ministry of Corporate Affairs (MCA) has taken a green initiative in Corporate Governance vide circular nos. 17/2011 and 18/2011 dated 21st and 29th April, 2011. The said circular inter-alia stipulates that the Companies have to obtain e-mail address by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the Company or Depository participant.
2. As per the said circulars, register your e-mail address as under:
 - a) In case your shares are in Demat Account and e-mail address already registered with your DP, please inform changes if any therein to your DP and also update the same from time to time as stated above.
 - b) In case, your shares are in Demat Account and email address not registered so far, please register the email address with your DP and also update the same from time to time as stated above.
 - c) In case, your shares are in physical form, please write to our share Transfer Agent (STA) to register your e-mail address at the address given below and also update the same from time to time as stated above.
 - d) In case, you are interested in receiving the notices/documents in physical form only, irrespective of your shareholding in demat or physical, please inform to our STA at address given below

M/s Aarathi Consultants Pvt. Ltd (Unit : SBT Limited) 1-2-285, Domalguda, Hyderabad – 500029 Tel. No. 040-27638111/4445 Fax No. 040-27632184 E-mail: info@aarthiconsultants.com	or	Click Button on “Green Initiative” on website www.aarthiconsultants.com or www.sol.net.in
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3. Please note that the email addresses indicated in your respective DP accounts with depositories viz. NSDL/CDSL and e-mail addresses received by our STA will be deemed to be your registered e-mail address for serving notices/documents etc., including those covered under section 219 of the Companies Act, 1956 (the Act) read with section 53 of the Act.
4. Further, the documents electronically sent to you, would be displayed on company’s website www.sol.net.in in well advance for your ready reference and an advertisement would be issued in newspaper to this effect for information of the shareholders.

✂----- · TEAR HERE - -----✂

Date:

Aarathi Consultants Pvt Ltd
Unit : SBT Limited
1-2-285, Domalguda,
Hyderabad – 500029

Sub: Servicing of Notices, documents including notices of General meetings, annual reports, circulars etc through e-mail.

I / we confirm that you may send the documents through e-mail instead of physical copies. Kindly register the following email id for this purpose.

Folio no/ DPID and Client ID	
E-mail ID	
Name of the first holder	
Signature	





SBT Biodiesel Plant - Visakhapatnam



IROAF (Indian Railways Organisation for Alternate Fuels) 30 TPD Biodiesel Plant at Tondiarpet, Chennai under implementation by SBT

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3A, 3rd Floor, Samrat Complex, Office Block, Saifabad, Hyderabad - 500 004.

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Visit us : www.sol.net.in E-mail : info@sol.net.in