

**23<sup>rd</sup>**  
**Annual Report**  
**2020 – 2021**



**Southern Online Bio Technologies Limited**  
**Smart Solutions and Eco Friendly**

## **CORPORATE INFORMATION**

### **Board of Directors**

Dr. Devaiah Pagidipati (DIN: 05147621)	-	Managing Director
Mr. Brijmohan Venkata Mandala (DIN: 00295323)	-	Non-executive Director
Mr. Madana Mohana Rao Yalamanchili (DIN: 00745820)	-	Independent Director
Dr. Divya Sunitha Raj Burra (DIN: 01302512)	-	Independent Director

### **Chief Financial Officer**

Mr U U V Ravikanth

### **Company Secretary**

Mr Srikanth Reddy Kolli

### **Bankers**

Union Bank of India (Earlier Andhra Bank)	-	Saifabad, Hyderabad
Bank of India	-	Banjara Hills Branch, Hyderabad
State Bank of India (Earlier SBH)	-	HACA Bhavan, Hyderabad
Central Bank of India	-	Koti, Hyderabad

### **Statutory Auditors**

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

### **Registrar & Transfer Agents**

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

### **Plant Locations**

- I. Survey Nos.6 & 7, Samsthan Narayanpur (V&M), Yadadri Bhuvanagiri Dist, Telangana – 508116.
- II. Plot No.45/A, APSEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam - 531 011,  
Andhra Pradesh

### **Registered Office**

Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana 500004

Tel: (040) 2324 1999, Fax: (040) 2324 1444

E-mail: cs@sol.net.in

CIN : L72900TG1998PLC030463

WEBSITE : www.sol.net.in

INVESTORS EMAIL ID : cs@sol.net.in

**Corporate Office**

Flat No. 602, 6th Floor, Swarna Jayanti Complex, Beside Maitrivanam, Ameerpet, Hyderabad 500038 TG  
Tel: (040) 2374 6600,  
E-mail: cs@sol.net.in

**Secretarial Auditors**

CSB Associates  
Company Secretaries,  
3-6-481, Above Vijaya Bank,  
Street No.6, Himayatnagar, Hyderabad- 500 029

**Internal Auditors**

Mr. G S Gowtham,  
Practicing Chartered Accountant,  
#40-15-3, Brindavan Colony, Labbipet, Vijayawada – 10

**Board Committees:****Audit Committee**

Dr Divya Sunitha Raj Burra	- Chairperson
Mr Madana Mohana Rao Yalamanchili	- Member
Dr Devaiah Pagidipati	- Member

**Stakeholders  
Relationship  
Committee**

Dr Divya Sunitha Raj Burra	- Chairperson
Mr Madana Mohana Rao Yalamanchili	- Member
Mr. Brijmohan Venkata Mandala	- Member

**Nomination and  
Remuneration  
Committee**

Dr Divya Sunitha Raj Burra	- Chairperson
Mr Madana Mohana Rao Yalamanchili	- Member
Mr. Brijmohan Venkata Mandala	- Member

## **NOTICE**

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Southern Online Bio Technologies Limited will be held at Anion Conference Room, 8th Floor, Swarna Jayanti Complex, Beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038 on Saturday, the 25<sup>th</sup> day of September, 2021 at 10.30 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2021 including Audited Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr Brijmohan Venkata Mandala (DIN: 00295323), who retires by rotation and being eligible offers himself for reappointment.
3. Appointment of M/s. Darapaneni & Co., Chartered Accountants, as Statutory Auditors of the Company to fill the casual vacancy caused due to the Resignation of M/s. P C N & Associates, Chartered Accountants.

To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Darapaneni & Co., Chartered Accountants, (Firm Registration No. 000685S) be and is hereby appointed as the Statutory Auditors of the Company, in the casual vacancy caused by the resignation of M/s. P C N & Associates, Chartered Accountants, (Firm Registration No 016016S), for a period of five years to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Eighth Annual General Meeting of the Company to be held in the year 2026, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable goods and services tax and reimbursement of traveling and out of pocket expenses incurred by them for the purpose of audit.

**RESOLVED FURTHER THAT** the Board of Directors or the Company Secretary of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters, and things which may deem necessary in this behalf."

### **SPECIAL BUSINESS:**

#### **4. Approval of Related Party Transactions:**

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

**"RESOLVED THAT** Reg. 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Listing Agreement with the Stock Exchange(s), (as amended from time to time by Stock Exchange or by the Securities and Exchange Board of India and for the time being in force), and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board"

which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for entering into transactions, contracts or arrangements on such terms and conditions as the Board may think proper and beneficial for the Company with the below mentioned related parties during every financial year commencing after 31<sup>st</sup> March, 2021 up to maximum amount per financial year mentioned below, for a period of 3 (three) years.

<b>S. No.</b>	<b>Name of the Related Party</b>	<b>Nature of Transactions</b>	<b>Max. amount per financial year</b>	<b>Price</b>
1	Southern Biofe Biofuels Pvt Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
2.	Bheem Online Services Limited	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
3.	Evaidya Private Limited	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
4.	Inventcorp Technologies Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
5.	Freedom Health Management Pvt Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
6.	Awlencan Innovations India Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
7.	PB Aero Freedom Services Pvt Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
8.	NEO Institute of Medical Sciences and Technology Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
9.	Sathwik Projects Private Limited	Availing/ Providing of Services/goods/Loan/ Advance	50 Cr.	Arm's length price
10.	Key Managerial Personnel	Managerial Remuneration	Within the limits approved by the board & members	--
11.	Others	Unforeseen	Upto Rs.10 Cr. per transaction	Arm's length price

**FURTHER THAT** the Board be and is hereby authorized to negotiate and settle the terms and conditions of related party transactions and all other matters incidental thereto and to give such direction as considered necessary including delegating all or any of the powers herein conferred to any committee of directors, executive chairman, managing director, whole time director(s), director(s) and/or any officers of the Company, and authorize them to sign and execute all agreements, applications, contracts, deeds, and/or documents that may be required, on behalf of the Company and the Board hereby further authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental thereto without being required to seek any further consent or approval thereto, for the purpose of giving effect to this resolution.”

By Order of the Board  
**For Southern Online Bio Technologies Ltd**

Place: Hyderabad

Date: August 31, 2021

**Srikanth Reddy Kolli**  
Company Secretary

**NOTES:**

1. **A member entitled to attend and vote at this Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM is annexed hereto.
3. Members/proxies/authorized representatives are requested to bring their copies of Annual Report and produce duly filled in attendance slip at the entrance of the venue. Members holding shares in Demat form shall write their DP ID No. and Client ID and those holding in Physical form shall write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
4. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE371B01023. Trading in the equity shares of the Company through Stock Exchanges was made compulsory in dematerialized form. Shareholders are advised to open demat accounts with any of the Depository Participants (DPs) of their choice registered with NSDL and CDSL and convert their physical holding into electronic holding.
5. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company / Registrar and Share Transfer Agents, M/s. Aarthi Consultants Pvt Ltd (RTA). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends.
6. Non-Resident Indian Members are requested to inform RTA, immediately of:
  - a. Change in their residential status on return to India for permanent settlement
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.

7. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
8. All relevant documents referred in the accompanying Notice and explanatory statement are open for inspection to the Members at the Registered Office of the Company during business hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to RTA.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depository Participant to enable the Company to send communications electronically.
11. The Notice of the AGM along with the Annual Report 2020-21 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
12. Members may also note that the Notice of the 23<sup>rd</sup> AGM and the Annual Report 2020-21 will be available on the Company's website, [www.sol.net.in](http://www.sol.net.in). The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members desiring any information as regards accounts are requested to write to the Company to: [cs@sol.net.in](mailto:cs@sol.net.in), at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
13. Pursuant to the requirement under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be re-appointed / appointed is given in **Annexure – A** to the notice.

14. **Instruction about Voting:**

With the consent of all the seven Members of the Company, the Company is providing only ballot voting facility at the venue of AGM since there are only seven shareholders of the Company as on date as per Hon'ble NCLT Order dated November 26, 2019 and the allotment made by the Company in its board meeting held on December 12, 2020.

**A) Voting through ballot means:**

Since all the current seven shareholders hold shares in physical form and because there are only seven shareholders, the Company doesn't provide e-voting facility and provides only ballot voting at the venue of AGM.

The shareholders of the Company, holding shares either in physical form or in dematerialized form, as of **September 18, 2021** (i.e., the cut-off date) may cast their vote in the ballot box at the venue of AGM.

The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 18, 2021.

Mr Y Ravi Prasada Reddy, Practicing Company Secretary (C.P. No: 5360), has been appointed as the Scrutinizer to scrutinize the voting process at the venue of the 23<sup>rd</sup> AGM in a fair and transparent manner.

**B) Other Instructions:**

- I. The Scrutinizer will collate the votes from the voting system from the venue of AGM to declare the final result for each of the Resolutions forming part of the Annual General Meeting Notice.
- II. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The Results declared, along with the Scrutinizer's Report, shall be placed on the Company's website [www.sol.net.in](http://www.sol.net.in) and be communicated to the Stock Exchanges where the Company is listed, viz. M/s. BSE Ltd.
- III. Members may address any query to Mr. K. Srikanth Reddy at the Registered Office of the Company, M. No. 8886302027, e-mail address: [cs@sol.net.in](mailto:cs@sol.net.in), Website: [www.sol.net.in](http://www.sol.net.in).

By Order of the Board  
**For Southern Online Bio Technologies Ltd**

Place: Hyderabad  
Date: August 31, 2021

**Srikanth Reddy Kolli**  
Company Secretary



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND PURSUANT TO REGULATION 36 OF SEBI (LODR) REGULATIONS, 2015 TO THE ACCOMPANYING NOTICE DATED AUGUST 10, 2021.**

**Item No. 3**

**Appointment of M/s Darapaneni & Co, Chartered Accountants, as Statutory Auditors of the Company:**

Appointment of M/s Darapaneni & Co, Chartered Accountants, as Statutory Auditors of the Company to fill the casual vacancy caused due to the Resignation of M/s P C N & Associates, Chartered Accountants. M/s. P C N & Associates, Chartered Accountants, had tendered their resignation vide letter dated August 14, 2021 as the Statutory Auditor of the Company and this resignation has resulted into a casual vacancy in the office of the Statutory Auditors of the Company.

As per Section 139(8) of the Companies Act, 2013, appointment of the new auditor shall be approved by the Company at a general meeting convened within three months of the recommendation of the Board and he shall hold the office till the conclusion of the next annual general meeting.

On the recommendation of Audit Committee through circular resolution dated August 31, 2021, the Board of Directors through circular resolution dated August 31, 2021 approved the appointment of M/s. Darapaneni & Co, Chartered Accountants as Statutory Auditors of the Company from the financial year 2021-22 to fill the casual vacancy caused by the resignation of M/s P C N & Associates.

As per provisions of the Companies Act, 2013 and based on approval of the Board of Directors and the confirmation received from M/s. Darapaneni & Co, Chartered Accountants having registration number: 000685S with respect to their eligibility to be appointed as Statutory Auditors, the Board of Directors recommends that M/s. Darapaneni & Co (FRNo. 000685S) be appointed as the Statutory Auditors of the Company for a period of five years from the FY 2021-22 to 2025-26, to fill the casual vacancy caused by the resignation of M/s P C N & Associates, Chartered Accountants.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item no.3 of the Notice, except to the extent of their shareholding in the Company.

The Board of Directors recommends said Ordinary Resolution set out at Item No.3 of the accompanying Notice for the approval of the Members.

**Item No. 4**

**Approval of Related Party Transactions:**

The provision of Section 188 of the Companies Act, 2013 read with rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The Regulation 23 of the SEBI (LODR) Regulations, 2015 has also prescribed seeking of shareholders' approval for material related party transactions.

As per Regulation 23 of the SEBI (LODR) Regulations, 2015 all transactions which are material in nature entered by the Company, need the approval of shareholders.

Transaction that are already entered or to be entered in the next 3 financial years from April 01, 2021 with the related parties as outlined in the table under the resolution mentioned above will be in ordinary course of business and are continuous in nature and are not for a specific period. Terms and conditions will certainly be at arm's length basis. All factors relevant to the respective contracts will be with the prior approval of Audit Committee and the Board of Directors. The transactions with such related parties might trigger materiality in nature and require the approval of the shareholders of the Company by way of Ordinary resolution.

The transactions with the related parties may or may not be continuous in nature and may or may not be for a specific period and may or may not be material in nature, but in order to ensure compliance with the sections and regulations of Companies Act, 2013 and SEBI LODR Regulations, the board recommends the said resolution for the approval of members of the Company.

By Order of the Board  
**For Southern Online Bio Technologies Ltd**

Place: Hyderabad  
Date: August 31, 2021

**Srikanth Reddy Kolli**  
Company Secretary

**Annexure – A**

Details of Director(s) seeking appointment/ re-appointment/ regularization at the Annual General Meeting (Pursuant to Reg.36 (3) of SEBI (LODR) Regulations, 2015 is given below:

A	Name	Mr Brijmohan Venkata Mandala
B	Brief Profile	
	i) Age	55 years
	ii) Educational Qualification	M S (Computer Engineering)
	iii) Experience in specific functional area	Brij is the CEO of Anion Healthcare Services. He is responsible for the operations at Anion, Hyderabad. He has well over 20 years of experience as a Senior Management and Technology expert. He leads the team at Anion on the strategy, business, and operations. He has a deep knowledge on functional space across multiple verticals. His career started at the Old Dominion University, USA as Teaching Assistant, and moved onto a Research Assistant role on a NASA project. Later he worked on Oracle technology and executed several projects on offshore basis. Subsequently, with a group of investors, he started Pointsoft in India and ran the company as CEO till 2007. Bartronics acquired Pointsoft in 2007 and Brij joined them as Senior Vice President heading E-Governance and Insurance Smart Cards Projects. Brij has a Masters in Computer Engineering from Old Dominion University, Norfolk, VA.
	iv) Date of appointment on the board of the Company	27 <sup>th</sup> January, 2020
C	Nature of expertise in functional area	Mentioned in clause B (iii) above.
D	Directorship held in other Companies (excluding foreign and Section 8 Companies)	<ol style="list-style-type: none"> <li>1. Kellton Tech Solutions Limited</li> <li>2. Awlencan Innvoations Pte Ltd</li> <li>3. Southern Biofe Biofuels Pvt Ltd</li> <li>4. Awlencan Innovations India Limited</li> <li>5. Inventcorp Technologies Limited</li> <li>6. E Vaidya Private Limited</li> <li>7. Freedom Ehealth Management Private Limited</li> <li>8. Kellton DBYDX Software Pvt Ltd.</li> </ol>
E	Chairmanship/ Membership of committees of other Companies (includes only Audit, Stakeholders Relationship and Nomination & Remuneration Committee)	<p>Chairman of Audit and Stakeholders Relationship Committees of Kellton Tech Solutions Limited</p> <p>Member of Nomination and Remuneration Committee of Kellton Tech Solutions Limited</p>
F	No. of shares of Rs.10/- each held by the Director	1,000 equity shares of Rs 10/- each.
G	Relationship between Directors inter se (As per section 2(77) of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014)	Nil

## BOARDS' REPORT

**Dear Members,**

Your Directors have pleasure in presenting before you the 23<sup>rd</sup> Board Report on the Company's business and operations, together with the audited financial statements for the financial year ended March 31, 2021.

### **Closure of Liquidation process against the Company**

The members are informed that pursuant to the order of the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench dated October 05, 2018 ("NCLT Order"), Corporate Insolvency Resolution Process ("CIRP") has been initiated for the Southern Online Bio Technologies Limited ("the Company") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued thereunder ("Code").

Mrs. CA G Kalpana, was appointed as Interim Resolution Professional (IRP) in terms of the NCLT Order who took over the management of the Company w.e.f. October 05, 2018. The Board of Directors existing as on October 05, 2018 were suspended as on that date. Subsequently, the IRP was appointed as the Resolution Professional (RP) by the Committee of Creditors as per the provisions of the Code ("Resolution Professional"). When no resolution plan came forth, the Committee of creditors in its 14<sup>th</sup> meeting resolved to liquidate the Corporate Debtor. Following which the Hon'ble NCLT, Hyderabad bench on July 16, 2019 passed an order, in IA No. 565/2019 preferred by the RP for liquidating the Southern Online Bio Technologies Limited (the Corporate Debtor Company) for liquidation of the Southern Online Bio Technologies Limited (Company) by appointing Mrs. CA G Kalpana as Liquidator of the Corporate Debtor Company.

The Liquidator had issued sale notice for the sale of the Company as a going concern on October 13, 2019 and the date of E-Auction was on October 22, 2019.

Pursuant to the sale notice issued by the Liquidator, Dr Devaiah Pagidipati applied to participate in the E-Auction duly submitting the required documents and EMD amount of Rs. 5.17 Crores in the form of Demand Draft and the Liquidator after verifying the documents, declared him as the Qualified bidder and issued Login Id and Password to participate in the E-Auction.

The Qualified bidder i.e. Dr Devaiah Pagidipati participated in the E-Auction and submitted his bid for Rs. 51.70 Crores and has been declared as the Successful Bidder by the Liquidator and the Liquidator issued Letter of Intent to the Successful Bidder on October 29, 2019 to pay the balance sale consideration of Rs. 46.53 Crores plus GST and other applicable taxes if any after deducting EMD amount within 30 days from the date of issuance of the Letter of Intent or within 90 days provided that the payment made after 30 days will attract interest at the rate of 12% from the date of the issuance of the Letter of Intent.

The Successful Bidder i.e. Dr Devaiah Pagidipati paid an amount of Rs.41.53 Crores on November 28, 2019 and Rs.2 Crores on November 29, 2019 and balance Rs. 3 Crores on December 04, 2019 and paid an interest amount of Rs. 55,890/- (Rs. 6,575/- for one day and Rs. 49,315/- for 5 days) towards delayed payment.

In consideration of the payment of Rs. 51.70 Crores the Company M/s Southern Online Bio Technologies Limited (in Liquidation) is sold on 'as is where is and as is whatever there is without recourse basis' in favour of Dr Devaiah Pagidipati, 409, Jayabheri Silicon County, Kondapur Post, Madhapur, Hyderabad-500084 and the possession of the Company has also been handed over to him on January 02, 2020 by issuing a sale certificate to him by the Liquidator.

Consequent to the above sale, the Hon'ble NCLT, Hyderabad bench issued a written Order on June 22, 2020 in IA No. 196/2020 in CP IB No. 343/7/HDB/2018 for closure of liquidation process against the Company on application by the Liquidator for disposal of liquidation process against the Company.

Consequent to the NCLT Order dated June 22, 2020 for disposal of liquidation process against the Company and based on the NCLT Order dated November 26, 2019, The new promoter had taken steps for removal of old directors and management of the Company and formed the new board of directors. Thereafter the board of directors in its meeting held on December 12, 2020 took note of extinguishment of entire old share capital and allotted new shares of 45000000 of Rs. 10/- each in compliance with the NCLT Order dated November 26, 2019.

The Company has obtained the listing approval for extinguishment of erstwhile share capital and allotment of new shares from BSE on February 13, 2021 and is in the process of obtaining the trading approval.

### Financial performance

In compliance with the provisions of the Companies Act, 2013 ('Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its financial statements as per Indian Accounting Standards ('Ind AS') for the FY 2020-21. The financial highlights of the Company's operations are as follows:

Particulars	(Rs. in Lakhs)	
	2020-21	2019-20
Total Income	220.99	33666.10
Total Expenditure	171.49	9098.90
Profit before Tax	49.50	24567.20
Provision for Tax	3.54	7984.89
Profit after Tax	45.96	16582.31
Transfer to General Reserve	45.96	16582.31
Profit available for appropriation	0	0
Provision for Proposed Dividend	0	0
Provision for Corporate Tax	0	0
Balance Carried to Balance Sheet	45.96	444.80

### Performance

#### a) Operations

The total revenue of the Company for the financial year ended March 31, 2021 was Rs. 2,20,98,999/- as compared to the previous year's total revenue of Rs. 3,36,66,10,325/-. During this financial year the Company has incurred a net profit of Rs 45,96,658/- as against the previous year's net profit of Rs. 1,65,82,31,380/-. The revenue of the Company was from only ISP Division.

#### b) Prospects

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

Indian Government has introduced a new policy. The Goal policy is to ensure that a minimum level of biofuels become readily available in the market to meet the demand at any given time.

An indicative target of 5% blending of bio diesel by 2030 is proposed.

Hence the Biodiesel industry has got very good future.

#### c) Company Prospects

Company plans to revive the present situation.

#### d) ISP Division

The Company presently provides internet services as a Licensed ISP. The Company Services include the following:

- Server Co-Location
- Leased Line services (Terrestrial and RF links)

- Broad band services
- Networking solutions
- Web hosting services

**e) Bio Diesel Division**

The Company has two Bio diesel units, one is at Samsthan Narayanpur (V&M), Yadadri Bhuvanagiri District, Telangana State with 36TPD capacity and the other is at APIIC, SEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam, Andhra Pradesh state with 250 TPD capacity.

Currently both units are under shut down, and the current management of the Company is working on re commencing the production in both the units. The unit located at Samsthan Narayanpur is expected to commence the production from September 2021 onwards.

**f) Bio diesel Plant at Tondiarpet, Chennai**

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

**Change in the nature of business**

There was no change in nature of the business of the Company during the financial year ended on March 31, 2021.

**COVID-19**

These are unprecedented times, as our country and the entire world struggles to contain and combat the COVID-19 pandemic. Amidst such rampant uncertainties, we have abided by every safety and social distancing norm and have been consistently communicating the same to both our employees and customers. We stand in solidarity with the Government of India and all our citizens, and our efforts towards the betterment of one and all will continue, unabated.

**Secretarial Standards**

During the year, your Company has complied with applicable Secretarial Standards i.e. SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.

The Directors have devised proper systems and processes for complying with the requirements of applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems were adequate and operating effectively.

**Share Capital**

During the F.Y. 2020-21, the authorised share capital of the Company is Rs 75,00,00,000 (Rupees Seventy Five Crores) divided into 7,50,00,000 equity shares of Rs 10/- each. The old paid up equity share capital of the Company is Rs 58,99,32,880/- divided into 5,89,93,288 equity shares of Rs 10/- each which was extinguished during the year by the Order of Hon'ble NCLT, Hyderabad bench dated November 26, 2019. The new paid up equity share capital of the Company as on date of this report is Rs. 45,00,00,000/- divided into 4,50,00,000 equity shares of Rs. 10/- each as per the Hon'ble NCLT Order dated November 26, 2019 which was allotted by the Board of Directors in its meeting held on December 12, 2020 and obtained the listing approval from BSE on February 13, 2021 and is in the process of obtaining trading approval for the said new shares from BSE.

**Transfer to reserves**

For the financial year ended March 31, 2021, the Company has transferred an amount of Rs. 45,96,658 to General Reserves and Surplus Account.

**Dividend**

Company has not declared any dividend during the year. Members are informed that In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be

taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of the dividend declared, if any, after deduction of tax at source.

### **Buy Back of shares and disinvestment**

The Company has not bought back any of its securities and there were no disinvestment during the Financial Year ended March 31, 2021.

### **Indian Accounting Standards (Ind AS)**

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs' notification of the Companies (Indian Accounting Standards) Rules, 2015. The standalone and consolidated financial statements of the Company, forming part of the Annual Report, have been prepared and presented in accordance with all the material aspects of the Indian Accounting Standards ('Ind AS') as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')) and relevant amendment rules issued thereafter and guidelines issued by the Securities Exchange Board of India ("SEBI").

### **Transfer of unclaimed Dividend(s)/ Shares to Investor Education and Protection Fund**

During the FY 2020-21, there was no unpaid/ unclaimed dividend pertaining to FY 2012-13 to be transferred to the Investors Education and Protection Fund ('IEPF') Account established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund ('IEPF') after giving due notices to the concerned shareholders, which is not applicable to the Company during the year.

### **Unclaimed securities demat suspense account**

As per the Order of Hon'ble NCLT dated November 26, 2019, all the old shareholders capital was extinguished and the old shareholders will become claimants from liquidation proceeds u/s 53 of the Code. Accordingly there are no unclaimed securities to be kept in the demat suspense account.

### **Deposits**

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

### **Significant and material orders passed by the regulators**

After the Company account becoming NPA with lenders in the year 2018, the Lead Banker that is Bank of India has filed the petition with Hon'ble National Company Law Tribunal (NCLT), Hyderabad for the recovery of dues under section of Companies Act 7 of IBC. The Hon'ble NCLT, Hyderabad bench admitted the said petition and appointed the IRP Mrs CA G Kalpana w.e.f. October 05, 2018 from the date on which the old board of directors were suspended and the management of the Company including day to day affairs were looked after by Mrs CA G Kalpana from October 05, 2018 onwards. Subsequently she was appointed as Resolution Professional (RP) by the creditors of the Company.

When no resolution plan came forth, the Committee of creditors in its 14<sup>th</sup> meeting resolved to liquidate the Corporate Debtor. Following which the Hon'ble NCLT, Hyderabad bench on July 16, 2019 passed an order, in IA No. 565/2019 preferred by the RP for liquidating the Southern Online Bio Technologies Limited (the Corporate Debtor Company) for liquidation of the Southern Online Bio Technologies Limited (Company) by appointing Mrs. CA G Kalpana as Liquidator of the Corporate Debtor Company.

The Liquidator has issued sale notice for the sale of the Company as a going concern on October 13, 2019 and the date of E-Auction is on October 22, 2019.

Pursuant to the sale notice issued by the Liquidator, Dr Devaiah Pagidipati applied to participate in the E-Auction duly submitting the required documents and EMD amount of Rs. 5.17 Crores in the form of Demand Draft and the Liquidator after verifying the documents, declared him as the Qualified bidder and issued Login Id and Password to participate in the E-Auction.

The Qualified bidder i.e. Dr Devaiah Pagidipati participated in the E-Auction and submitted his bid for Rs. 51.70 Crores and has been declared as the Successful Bidder by the Liquidator and the Liquidator issued Letter of Intent to the Successful Bidder on October 29, 2019 to pay the balance sale consideration of Rs. 46.53 Crores plus GST and other applicable taxes if any after deducting EMD amount within 30 days from the date of issuance of the Letter of Intent or within 90 days provided that the payment made after 30 days will attract interest at the rate of 12% from the date of the issuance of the Letter of Intent.

The Successful Bidder i.e. Dr Devaiah Pagidipati paid an amount of Rs.41.53 Crores on November 28, 2019 and Rs.2 Crores on November 29, 2019 and balance Rs. 3 Crores on December 04, 2019 and paid an interest amount of Rs. 55,890/- (Rs. 6,575/- for one day and Rs. 49,315/- for 5 days) towards delayed payment.

In consideration of the payment of Rs. 51.70 Crores the Company M/s Southern Online Bio Technologies Limited (in Liquidation) is sold on 'as is where is and as is whatever there is without recourse basis' in favour of Dr Devaiah Pagidipati, 409, Jayabheri Silicon County, Kondapur Post, Madhapur, Hyderabad-500084 and the possession of the Company has also handed over to him on January 02, 2020 by issuing a sale certificate to him by the Liquidator.

Consequent to the above sale, the Hon'ble NCLT, Hyderabad bench issued a written Order on June 22, 2020 in IA No. 196/2020 in CP IB No. 343/7/HDB/2018 for closure of liquidation process against the Company.

Consequent to the NCLT Order dated June 22, 2020 for disposal of liquidation process against the Company and based on the NCLT Order dated November 26, 2019, The new promoter had taken steps for removal of old directors and management of the Company and formed the new board of directors. Thereafter the board of directors in its meeting held on December 12, 2020 took note of extinguishment of entire old share capital and allotted new shares of 45000000 of Rs. 10/- each in compliance with the NCLT Order dated November 26, 2019.

The Company has obtained the listing approval for extinguishment of erstwhile share capital and allotment of new shares from BSE on February 13, 2021 and is in the process of obtaining the trading approval.

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **Material changes and commitments**

There were no material changes and commitments, affecting the financial position of the Company between the end of the financial year March 31, 2021 to which the financial statements relates and the date of signing of this report.

### **Board of Directors**

By the Order of the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated October 05, 2018, the Southern Online Bio Technologies Limited (Company) was admitted for Corporate Insolvency Resolution Process ('CIRP') as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the then Board of Directors of the Company stands suspended and such powers shall be vested with Mrs. CA G Kalpana, Resolution Professional.

Later on the Company was admitted for liquidation by the Order of Hon'ble NCLT, Hyderabad bench and was sold as a going concern to Dr Devaiah Pagidipati w.e.f. January 02, 2020.



As per the Order of Hon'ble NCLT dated November 26, 2019, all the suspended former board of directors stands vacated and the new Board of Directors took over control and management of the Company w.e.f. January 27, 2020.

The new Board of Directors consists of the following from January 27, 2020:

SI No	Name of the Director	DIN	Designation
1	Dr Devaiah Pagidipati	05147621	Executive Director
2	Mr Brijmohan Venkata Mandala	00295323	Non-executive Director
3	Mr Yalamanchili Madana Mohana Rao	00745820	Additional Director - Independent

The new Board of Directors in its meeting held on November 06, 2020 had appointed Dr Divya Sunitha Raj Burra holding DIN: 03412586 as Additional Director in the category of Woman Independent Director.

Upon recommendations of the Nomination and Remuneration Committee in its meeting held on November 13, 2020, the Board of Directors in its meeting held on November 13, 2020, the approval of shareholders was obtained in the 22<sup>nd</sup> AGM of the Company held on December 31, 2020 for the appointment of Dr Devaiah Pagidipati as Chairman & Managing Director of the Company, Mr. Madana Mohana Rao Yalamanchili as Director and Independent Director of the Company and Dr Divya Sunitha Raj Burra as Director and Independent Director (Woman category) of the Company.

Currently the board of directors consists of the following directors:

SI No	Name of the Director	DIN	Designation
1	Dr Devaiah Pagidipati	05147621	Chairman & Managing Director
2	Mr Brijmohan Venkata Mandala	00295323	Non-executive Director
3	Mr Yalamanchili Madana Mohana Rao	00745820	Independent Director
4	Dr Divya Sunitha Raj Burra	03412586	Independent Director

### Key Managerial Personnel

The Board of Directors in its meeting held on November 13, 2020 appointed Mr Upadhyayula Uma Vighneswara Ravikanth as Chief Financial Officer (CFO) of the Company and Mr Srikanth Reddy Kolli as Company Secretary (CS) & Compliance Officer of the Company.

The Board of Directors in its meeting held on December 29, 2020 appointed Dr Devaiah Pagidipati as Chairman & Managing Director of the Company which was approved by the shareholders in the 22<sup>nd</sup> AGM held on December 31, 2020.

### Declaration by the Independent Directors

The Company has received declarations from all Independent directors of the Company confirming that they continue to meet the criteria of independence, as prescribed under Section 149 of the Companies Act, 2013, rules made there under and Regulations 16 & 25 of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

### Policy on Directors' appointment and remuneration and other details

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The detailed policy is available on the Company's website at [www.sol.net.in](http://www.sol.net.in).

### Annual Board Evaluation

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors held on 13 February, 2021, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

#### *Criteria for Performance Evaluation:*

- a. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
- b. Adherence to the Code of Conduct in letter and in spirit by the Independent Directors.
- c. Bringing objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance, and risk management
- d. Statutory Compliance and ensuring high standards of financial probity and Corporate Governance
- e. Responsibility towards requirements under the Companies Act, 2013, Responsibilities of the Board and accountability under the Director's Responsibility Statement.

### Familiarisation Programme

A handbook covering the role, functions, duties and responsibilities and the details of the compliance requirements expected from the Directors under the Act, and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were given and explained to the new Directors.

The newly appointed Directors are given induction and orientation with respect to Company's Vision, Core purpose, Core Values and Business operations. In addition, detailed presentations are made by Senior Management Personnel on business environment, performance of the Company at every Board Meeting.

The above initiatives help the Directors to understand the Company, its business and the regulatory framework in which the Company operates and enables the Directors to fulfill their role/responsibility.

Details of Familiarization Programme for the Independent Directors are uploaded on the website of the Company at [www.sol.net.in](http://www.sol.net.in).

### Meetings of the Board of Directors and its Committees during the Financial Year 2020-21

During the year Board convened seven meetings The dates of the seven meetings are August 14, 2020, November 06, 2020, November 13, 2020, December 12, 2020, December 29, 2020, February 13, 2021 and March 09, 2021.

The details were disclosed in the report on Corporate Governance which forms part of this Annual Report. The intervening gap between any two meetings was within the prescribed period.

All the recommendations made by committees of the Board including the Audit Committee were accepted by the Board. A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2020-21 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

### Committees of the Board

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

### Nomination and remuneration policy

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

### Subsidiary, Associate and Joint Venture Companies

As on March 31, 2021, your Company has the following Subsidiary. Further there has been no material change in the nature of business of the Subsidiary.

Southern Biofe Biofuels Pvt Ltd (SBBF) is a 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 SBBF has no operations in the financial year ended March 31, 2021.

Sl.No.	Name of the Company	Percentage (%)
<b>Subsidiary Companies:</b>		
1	Southern Biofe Biofuels Pvt Ltd (SBBF)	99.97

As per the provisions of Section 129(3) of the Companies Act, 2013 (the Act) read with Companies (Accounts) Rules, 2014, a statement containing the salient features of the financial statements of the Subsidiary in Form AOC-1 is enclosed as **Annexure – II** to this Report.

Performance and financial position of each of the subsidiaries, associates and joint ventures:

As per Rule 8 of Companies (Accounts) Rules, 2014, a Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is enclosed as **Annexure – II** to this Report.

### Statutory Auditors

M/s P C N & Associates, (Formerly Known as Chandra Babu Naidu & Co.) Chartered Accountants, Hyderabad were appointed as the Statutory Auditors of the Company in 19<sup>th</sup> Annual General Meeting held on December 30, 2017 to hold the office until the conclusion of the 24<sup>th</sup> Annual General Meeting to be held for the financial year 2021-22. M/s. P C N & Associates (Formally known as Chandra Babu Naidu & Co.), Chartered Accountants were resigned on August 14, 2021 and the same was approved by Board through circular resolution dated August 31, 2021.

M/s. Darapaneni & Co., Chartered Accountants, Hyderabad (F.R.N.000685S) have been appointed as the Statutory Auditors of the Company by Board of Directors through circular resolution passed on August 31, 2021 subject to the approval of the members of the ensuing Annual General Meeting to be held on September 25, 2021 from the FY 2021-22 for a period of five years.

As per provisions of the Companies Act, 2013 and based on approval of the Board of Directors and the confirmation received from M/s. Darapaneni & Co, Chartered Accountants having registration number: 000685S with respect to their eligibility to be appointed as Statutory Auditors, the Board of Directors recommends for the approval of members of the Company that M/s. Darapaneni & Co (FRNo. 000685S) be appointed as the Statutory Auditors of the Company for a period of five years from the FY 2021-22 to FY 2025-26, to fill the casual vacancy caused by the resignation of M/s P C N & Associates, Chartered Accountants.

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

## **Auditors' Report**

### **(a) Statutory Auditors Report**

The board of directors in its meeting held on June 30, 2021 duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2021 and has noted the following qualifications/ emphasis of the matter:

The company is in the process of getting trading approval from the Bombay Stock Exchange Limited towards fully paid up shares which are allotted with reference to NCLT order.

#### Explanation on the comments made by the statutory auditor:

The Company has obtained the listing approval from BSE on February 12, 2021 for its new capital of Rs. 45 Crores dividend in to 4.5 Crore equity shares of Rs. 10 each. The Company is in the process of obtaining the trading approval which was granted by the BSE on June 08, 2021 and kept on hold on June 09, 2021. The Company is awaiting the release of hold on trading approval from BSE.

### **(b) Internal Auditors**

The Company has external firms of Chartered Accountants acting as internal auditors that reviews internal controls and operating systems and procedures as per the scope of audit. The Internal Audit Reports of the company are reviewed by the Audit Committee on quarterly basis.

The Board of Directors, on recommendation of the Audit Committee appoints/re-appoints the Internal Auditors of your Company every year in compliance with Section 138 of the Act read with the Companies (Accounts) Rules, 2014.

### **(c) Cost Auditors**

Cost Audit is not applicable, as the turnover is less than applicable limit and hence no cost auditor is required to be appointed.

### **(d) Cost Audit Records**

Appointment of Cost Auditors is not applicable as the turnover is less than applicable limit and hence maintenance of cost records was not applicable to the Company.

### **(e) Secretarial Auditors and Report**

The Secretarial Audit for the financial year ended March 31, 2021, was carried out by M/s. CSB Associates, Practicing Company Secretaries. The Report given by the Secretarial Auditors in Form MR-3, is annexed as **Annexure-VII** and forms integral part of this Report.

The Secretarial Audit Report is self-explanatory and does not call for any further comments. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Secretarial Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In terms of the amended SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company had obtained the Secretarial Compliance certificate from Mr C Sudhir Babu, Proprietor of M/s. CSB Associates, Practicing Company Secretaries which is annexed as **Annexure-VII(A)** and forms part of the Annual Report and the same was also intimated to the Stock Exchange where the shares of the Company are listed.

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company has obtained a certificate from Mr Y Ravi Prasada Reddy, (Membership No.: FCS 5783), Proprietor of M/s. RPR & Associates, Practicing Company Secretaries (PCS Registration No. 5360) which is annexed as **Annexure-VII(B)** and forms part of the Annual Report.

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. CSB Associates, Practicing Company Secretaries as the Secretarial Auditors of the Company in relation to the financial year ending March 31, 2022.

The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditors have confirmed that they are not disqualified to be appointed as the Secretarial Auditors of the Company for the year ending March 31, 2022.

### **Corporate Social Responsibility (CSR)**

Since the Company did not have profits (average net profits for the last three financial years), it was not obligated to contribute towards CSR activities during FY 2020-21. However, the Company is committed to build its CSR capabilities on a sustainable basis and undertake CSR activities as and when the opportunity arises.

The Annual Report on Corporate Social Responsibility u/s 135 of the Companies Act, 2013 is not required to be given as the Company was not required to contribute towards CSR activities during FY 2020-21.

### **Management Discussion and Analysis Report**

In terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, the Management's Discussion and Analysis for the year ended march 31, 2021 is annexed hereto as **Annexure-VIII**.

### **Corporate Governance**

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. It is imperative that your company's affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of the stakeholders.

The Report on corporate governance for the year ended March 31, 2021, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed hereto as **Annexure-IX**.

### **Auditors' certificate on Corporate Governance**

As required by SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the auditor's certificate on corporate governance regarding the compliance of conditions forms part of the Annual Report.

### **Statement containing additional information as required under Schedule V of the Companies Act, 2013**

A statement containing additional information as required under Clause IV of Section II of Part II of Schedule V of the Companies Act, 2013 is provided in the Report on Corporate Governance, which forms part of this Annual Report.

## **Risk Management**

During the year, the risk assessment parameters were reviewed and modified. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.

The audit committee provides the framework of Risk Management by describing mechanisms for the proactive identification and prioritization of risks based on the scanning of the external environment and continuous monitoring of internal risk factors.

Analysis of the risks identified is carried out by way of focused discussion at the meetings of the Board. The robust governance structure has also helped in the integration of the Enterprise Risk Management process with the Company's strategy and planning processes where emerging risks are used as inputs in the strategy and planning process. Identified risks are used as one of the key inputs in the strategy and business plan.

## **Internal Financial Control Systems and their adequacy**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the audit reports, Company undertakes corrective actions in respective areas and strengthens the control. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various policies like Related Party Transactions policy, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

## **Consolidated financial statements**

The Consolidated Financial Statements of the Company and its subsidiaries for FY 2020-21, are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of the Listing Regulations as well as in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The Audited Consolidated Financial Statements together with the Auditor's Report thereon forms part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, Consolidated Financial Statements along with relevant documents and separate annual accounts in respect of subsidiaries are available on the website of the Company. The annual accounts of the subsidiaries and related detailed information will be made available to investors seeking information till the date of the AGM.

Material changes and commitments affecting the financial position of the company between the end of the financial year and the date of the report. There are no material changes and commitments affecting financial position of the company, which occurred after the end of the financial year i.e., March 31, 2021.

## **Listing of Company's Equity Shares**

The Company's Equity shares were listed with M/s. BSE Limited (Stock Exchange), Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai – 400 001. However the trading approval was kept on hold by the BSE.

The Company has paid the Annual Listing Fees to the said Stock Exchange for the Financial Year 2021-22.

### **Whistle blower Policy**

The Company has adopted a Whistle-blower Policy to provide a formal mechanism to the Directors, Employees and its Stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Protected disclosures can be made by a whistle-blower through several channels.

The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. No personnel of the Company have been denied access to the Audit Committee.

The Whistle-blower Policy also facilitates all employees of the Company to report any instance of leak of Unpublished Price Sensitive Information. The Policy is also posted on the website of the Company at [www.sol.net.in](http://www.sol.net.in).

### **Vigil Mechanism**

The Vigil Mechanism of the Company is governed by the Company's Code of Business Conduct and Vigil Mechanism/ Whistle-blower Policy. The documents are available on Company's website at [www.sol.net.in](http://www.sol.net.in).

The said mechanism is available to the Director(s)/ Employee(s), who can report to the Company Secretary, on a confidential basis, any practices or actions believed to be inappropriate or illegal under the Company's Code of Business Conduct ("the Code"). The Code/ Policy provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. It is affirmed that no person has been denied access to the Audit Committee.

The Company sensitizes the availability of the above vigil mechanism from time to time to the directors and employees of the Company.

### **Reporting of Fraud**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which need to be mentioned in this Report.

### **Annual Return**

The Extract of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in Form MGT-9 is enclosed as **Annexure-IV** to this Report and the copy of the Annual Return is placed on the website of the Company at [www.sol.net.in](http://www.sol.net.in).

### **Prevention of Sexual Harassment of Women at Workplace**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The internal complaints committee was duly constituted as required. During the financial year ended March 31, 2021, the Company has not received any Complaints pertaining to Sexual Harassment.

### **Particulars of Loans, Guarantees or Securities or Investments**

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

### **Declaration as per Section 134(3) (ca) of the Companies Act, 2013**

During the year, the statutory auditors and secretarial auditor have not reported any instances of frauds committed by or against the Company by its Directors/ Officers/ Employees to the Audit Committee or Board under section 143(12) of the Companies Act, 2013 and rules made thereof. Therefore no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

### **Managing Director (MD) & Chief Financial Officer (CFO) Certification**

The Managing Director and the Chief Financial Officer of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015.

The annual certificate given by the Managing Director and the Chief Financial Officer forms part of the Annual Report.

### **Disclosure under Section 197(14) of the Companies Act, 2013**

The Managing Director and other Directors does not receive any such remuneration or commission from the Company or its subsidiary company which requires disclosure under Section 197(14) of the Companies Act, 2013.

### **Related party transactions**

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

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

### **Particulars in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo**

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

### **Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee**

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee is provided as **Annexure V** to this report.

### **Ratio to remuneration to each directors and particulars of employees**

Information required pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided along with a statement containing, inter alia, names of employees employed throughout the financial year and in receipt of remuneration of Rs. 102 lakhs or more, employees employed for part of the year and in receipt of Rs. 80.50 lakhs or more per month, pursuant to Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure VI** to this report.

### **Human Resources**

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



### Dematerialisation of Shares

As on March 31, 2021, all the old share capital was extinguished as per the Order of the Hon'ble NCLT dated November 26, 2019 and the Company allotted new equity shares of 4,50,00,000 of Rs. 10/- each on December 12, 2020 in compliance with the said Order of Hon'ble NCLT. All the new shares are yet to be dematerialized after obtaining the BSE approval for listing. The Company has obtained the listing approval from BSE on February 12, 2021 and is in the process of obtaining the trading approval from the BSE for the new shares of the Company.

### Insurance

The properties and assets of your Company are adequately insured.

### Revision of Financial Statements

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

### Compliance with SEBI (LODR) regulations, 2015:

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

- Board Diversity Policy
- Policy on preservation of Documents
- Risk Management Policy
- Whistle Blower Policy
- Familiarisation programme for Independent Directors
- Sexual Harassment Policy
- Related Party Policy
- Code of Conduct
- Nomination and Remuneration Policy
- Policy on determination of materiality of events

### Non-Executive Directors Compensation and disclosures

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors. The details of sitting fee paid were given in the Report on corporate governance.

### Industry based disclosure

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

### Event based disclosure

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

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

6. **Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

However, Hon'ble NCLT, Hyderabad bench issued a written Order on November 26, 2019 directing that the old paid up equity share capital shall stand extinguished and all those shareholders will not be entitled to any shares of the Company and they may approach the then liquidator of the Company for making claims from liquidation proceeds u/s 53 of the Code.

The said NCLT Order directed that without further act, deed or thing, the Company shall allot 4,50,00,000 equity shares at a face value of Rs. 10/- each to the successful bidder i.e. Dr Devaiah Pagidipati and his Associates which shall constitute 100% of the equity of the Company and such allotment shall be deemed to have been made in accordance with applicable laws.

### Employees Stock Options

Not applicable as no options were granted till date to the employees by the Company.

### Directors' responsibility statement

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

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-21 and of the statement of profit of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2020-21 have been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

That system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### Appreciation

The board wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to stream line all the pending compliances and thereby to have a fresh start for the Company.

### Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis as explained in the Corporate Governance Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

### Acknowledgement

The board take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government, Indian Railways Organisation for Alternate Fuels, Indian Railways, Telangana State Road Transport Corporation, Andhra Pradesh State Road Transport Corporation, Material suppliers, customers and the new shareholders for their support and

co-operation extended to the Company from time to time. Board is pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

By order of the Board  
**For Southern Online Bio Technologies Limited**

Date: August 31, 2021

Place: Hyderabad

**Dr Devaiah Pagidipati**  
Chairman & Managing Director  
DIN: 05147621

**Mr Brijmohan Venkata Mandala**  
Director  
DIN: 00295323

**ANNEXURE-I**

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

**FORM A**

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

**FORM B**

(Disclosure of particulars with respect to Technology Absorption)

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

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

- |    |  |  |     |
|----|--|--|-----|
| 3. | FOREIGN EXCHANGE EARNINGS AND OUTGO:   |  |     |
|    | Activities relating to exports and initiatives taken to increase export products and services and export plans |  |     |
|    | :  |  | NIL |

**ANNEXURE-II****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures**

**Part – A: Subsidiaries**

1	Name of the subsidiary	Southern Biofe Biofuels Private Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01 April 2020 to 31 March 2021.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
4	Share capital	343200 Equity Shares of Rs 10/- each Rs 34,32,000/-
5	Reserves & surplus	-36,317
6	Total assets	48,60,878
7	Total Liabilities	48,60,878
8	Investments	--
9	Turnover	--
10	Profit before taxation	--
11	Provision for taxation	--
12	Profit after taxation	--
13	Proposed Dividend	--
14	% of shareholding	99.97%

Names of subsidiaries which are yet to commence operations: NIL

**Part – B: Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

1	Names of Associates and Joint Ventures	--
2	Latest Audited Balance Sheet*	--
3	Shares of Associates held by the Company on the year end: - Number of Shares of Rs. 10/- each. - Amount of Investment - Extent of Holding %	--
4	Description of how there is significant influence*	--
5	Reason why the Associates are not consolidated	--
6	Net worth attributable to shareholding as per latest audited Balance Sheet*	--
7	Profit / Loss for the year* - Considered in Consolidation - Not considered in Consolidation	--

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended 31 March, 2021, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

The details of contracts or arrangements or transactions at arm's length basis are as follows:

<b>Nature of contract &amp; Name of the related party</b>	<b>Nature of relationship</b>	<b>Duration of Contracts</b>	<b>Salient Terms</b>	<b>Amount (Rs. in Lakhs)</b>
<b>Sales</b> M/s. E vaidya Pvt Ltd	Control by Dr Devaiah P	Ongoing	Ordinary course of business	50.45
<b>Purchases</b> M/s. Sathwik Projects Pvt Ltd	Control by Dr Devaiah P	Ongoing	Ordinary course of business	70.00
<b>Managerial Remuneration</b>	-	-	-	-
<b>Reimbursement of Expenses</b>	-	-	-	-
<b>Debit Balances</b>	-	-	-	-
<b>Credit Balances</b> Dr Devaiah Pagidipati	Managing Director	N.A.	Unsecured loan	987.11
M/s. Sathwik Projects Pvt Ltd	Control by Dr Devaiah P	Ongoing	Works Contract	299.50
<b>Investments</b> M/s. Southern Biofe Biofuels Pvt Ltd	Subsidiary	Ongoing	Equity investment	48.37
M/s. Bheem Online Services Ltd	Common Shareholders	Ongoing	Receivables	0.02

**ANNEXURE-IV****EXTRACT OF ANNUAL RETURN  
FORM MGT 9**

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)  
Financial Year ended on 31.03.2021**

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
I	CIN	: L72900TG1998PLC030463
ii	Registration Date	: 09.11.1998
iii	Name of the Company	: SOUTHERN ONLINE BIO TECHNOLOGIES LTD.
iv	Category/Sub-category of the Company	: Company limited by shares/Non-Government Company
V	Address of the Registered office & contact details	: Flat No. A3, 3 <sup>rd</sup> Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana-500004 Tel:(040)23241999, Fax:(040)23241444 Website: www.sol.net.in, Email: cs@sol.net.in
Vi	Whether Listed Company	: Listed at BSE Ltd
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	: Aarhi Consultants Pvt. Ltd. 1-2-285, Domalguda, Hyderabad-500029 Phone:040-27642217/27638111, Fax:040-27632184 Email: info@aarhiconsultants.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

<b>S. No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product/service</b>	<b>%Total turnover of the company</b>
1	Internet Services Division	-	100
2	Bio Diesel division	40107	0
3	IROAF (Railway Bio-Diesel Projects Execution works)	-	0

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

<b>S. No</b>	<b>Name and address of the Company</b>	<b>CIN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>%of shares held</b>	<b>Applicable Section</b>
1	Southern Biofe Biofuels Pvt. Ltd	U40107TG2002PTC038919	Subsidiary	99.97	2(87)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

[As per the Hon'ble NCLT, Hyderabad bench Order dated November 26, 2019 read with Sale Certificate dated January 02, 2020, the following is the new shareholding pattern]

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Indian</b>									
a. Individuals/Hindu undivided Family	0	0	0	0	0	4,50,00,000	4,50,00,000	100	100.00
b. Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
e.i. Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
e.ii. Trusts	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,50,00,000</b>	<b>4,50,00,000</b>	<b>100</b>	<b>100.00</b>
<b>Foreign</b>									
a. Individuals(Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b. Government	0	0	0	0.00	0	0	0	0.00	0.00
c. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d. Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
f.i. Corporate Bodies - Foreign Body	0	0	0	0.00	0	0	0	0.00	0.00
f.ii. Corporate Bodies - OCB Non Repatriable	0	0	0	0.00	0	0	0	0.00	0.00
f.iii. Corporate Bodies - OCB Repatriable	0	0	0	0.00	0	0	0	0.00	0.00
f.iv. Foreign Institutional Investor (FII) - Others	0	0	0	0.00	0	0	0	0.00	0.00
f.v. Foreign Institutional Investor (FII) - DR	0	0	0	0.00	0	0	0	0.00	0.00
f.vi. Bank - Foreign Bank	0	0	0	0.00	0	0	0	0.00	0.00
f.vii. Trust	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,50,00,000</b>	<b>4,50,00,000</b>	<b>100</b>	<b>100.00</b>



Category of Shareholders	No.of Shares held at the beginning of the year				No.of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) Public Shareholding	0	0	0	0	0	0	0	0	0
1 Institutions									
(a) Mutual Funds/UTI									
(b) Financial Institutions/Banks									
(c) Central Government/State Government(s)									
(d) Venture Capital Funds									
(e) Insurance Companies									
(f) Foreign Institutional Investors									
(g) Foreign Portfolio Investors									
(h) Qualified Foreign Investor									
(i) Any Others(Specify)									
(i-i) Foreign Companies									
<b>Sub Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B2 Non-Institutions</b>									
(a) Bodies Corporate	0	0	0	0	0	0	0	0	0
(b) Individuals									
(I) Individual shareholders holding nominal share capital upto Rs.2 lakh									
(II) Individual shareholders holding nominal share capital in excess of Rs.2 lakh									
(c) Qualified Foreign Investor									
(d) Any Others(Specify)									
(d-i) Non Resident Individuals									
(d-ii) Overseas Corporate Bodies									
(d-iii) Trusts (NBFC)									
(d-iv) Employees									
(d-v) NRI - Non Repatriable									
(d-vi) Clearing Members									
(d-vii) Foreign Nationals									
(d-viii) FCCB									
<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	0	0	0	0	0	4,50,00,000	4,50,00,000	100	100.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
Total Non-Promoter-Non Public Shareholding ( C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total	0	0	0	0	0	4,50,00,000	4,50,00,000	100	100.00

ii) Shareholding of Promoters								
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in
		No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
								Shareholding during the year

1	Dr Devaiah Pagidipati	0	0	0	4,49,94,000	99.988	0	99.988
2	Dr P Rudrama Devi	0	0	0	1000	0.002	0	0.002
3	Mr. Venkata Brijmohan Mandala	0	0	0	1000	0.002	0	0.002
4	Mr. Rajasekhar Gopalajosyula	0	0	0	1000	0.002	0	0.002
5	Mr. Venkata Rama Krishna Prasad Gottipati	0	0	0	1000	0.002	0	0.002
6	Mr. Raghuram Garimella	0	0	0	1000	0.002	0	0.002
7	Mr. Fatima Reddy Kommareddi	0	0	0	1000	0.002	0	0.002
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,50,00,000</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>

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

SNo.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	0	0	0
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	-	-	4,50,00,000	100.00
3	<b>At the End of the year</b>	<b>Nil</b>	<b>0</b>	<b>4,50,00,000</b>	<b>100.00</b>

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

S No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	At the beginning of the year	0	0	0	0

(v) Shareholding of Directors and Key Managerial Personnel:

S. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year				
1	Dr Devaiah Pagidipati	0	0	4,49,94,000	99.988
2	Mr Venkata Brijmohan Mandala	0	0	1,000	0.002
3	Mr Madana Mohana Rao Yalamanchili	0	0	0	0

4	Dr Divya Sunitha Raj	0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>4,49,95,000</b>	<b>99.990</b>
<b>II</b>	<b>Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):</b>	45000000 equity shares were allotted on December 12, 2020 during the year in compliance with Hon'ble NCLT order dated November 26, 2019. All the erstwhile 58993288 equity shares were extinguished on the same date.			

**V. INDEBTEDNESS:**

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

(Rs in Lakhs)

Financial year 2020-21				
Particulars	Secured Loans	Un-Secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i). Principal Amount	-	789.05	-	<b>789.05</b>
ii). Interest due but not paid	-	-	-	-
iii). Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>789.05</b>	-	<b>789.05</b>
Change in Indebtedness during the financial year				
Addition	-	199.57	-	<b>199.57</b>
Reduction	-	-	-	-
<b>Net Change</b>	-	<b>199.57</b>	-	<b>199.57</b>
Indebtedness at the end of the financial year				
i). Principal Amount	-	988.62	-	<b>988.62</b>
ii). Interest due but not paid	-	-	-	-
iii). Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>988.62</b>	-	<b>988.62</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

(Rs in Lakhs)

S. No. Particulars	Name of MD/WTD/ Manager					Total Amount
1. Gross salary						
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-	-
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2. Stock Option	-	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-	-

4. Commission- as% of profit - others, specify	-	-	-	-	-	-
5. Others, please specify	-	-	-	-	-	-
Total(A)						

B. Remuneration to other directors: Nil

(Rs in Lakhs)

S. No. Particulars	Name of Directors						Total Amount
1. Independent Directors Fee for attending board committee meetings Commission Others, please specify <b>Total(1)</b>	-	-	-	-	-	-	-
2. Other Non-Executive Directors Fee for attending board committee meetings Commission Others, please specify <b>Total(2)</b>	-	-	-	-	-	-	-
3. <b>Total (B)=(1+2)</b>	-	-	-	-	-	-	-
<b>Overall Ceiling as per the Act</b>	-	-	-	-	-	-	-

C. Remuneration to key managerial personnel other than MD/manager/WTD: Nil

S. No. Particulars	Key Managerial Personnel			
	Company Secretary	CEO	CFO	Total
1. Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 b) Value of perquisites u/s 17(2) Income Tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	500000*	-	500000*	1000000
2. Stock Option	-	-	-	-
3. Sweat Equity	-	-	-	-
4. Commission - as % of profit - others, specify...	-	-	-	-
<b>Total</b>	500000	-	500000	1000000

\* CS and CFO were appointed w.e.f. November 13, 2020 and the said salary is for a period of 4 Months 18 Days during the financial year.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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

By order of the Board  
**For Southern Online Bio Technologies Limited**

Date: August 31, 2021

Place: Hyderabad

**Dr Devaiah Pagidipati**  
 Chairman & Managing Director  
 DIN: 05147621

**Mr Brijmohan Venkata Mandala**  
 Director  
 DIN: 00295323

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

SI No	Particulars	Details				
		1	Name of the employee	Mr Srikanth Reddy Kolli	Mr UUV Ravikanth	Mr Bandaru Narasimha Swamy
2	Designation of the employee	Company Secretary	CFO	GM- ISP Division	DGM	Samsthan Narayanpur Factory Manager
3	Remuneration received	460000	432000	7,85,376	7,48,800	744000
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	ACS	Post Graduate	MS (IT)	B.SC (computer Science)	M.Tech (IIT)
6	Date of commencement of employment	Nov 2020	Oct 2020	1999	2000	2020
7	The age of the employee	39 Y	41 Y	51 Y	50 Y	33 Y
8	The last employment held by such employee before joining the company	YSK Developers	Nil	Nil	Nil	Nil
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Nil	Nil	Nil	Nil	Nil
10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager N	No relationship	No relationship	No relationship	No relationship	No relationship

SI No	Particulars	Details				
1	Name of the employee	Mr Ganna. V	Mr MS Ram Gopal	Mr P Venkateswarlu	Mr Rajeev Kumar B.	Mr Dhanraj Dakuri
2	Designation of the employee	DGM-Marketing	Procurement Manager	Asst. Company Secretary	Manager – Marketing	Cable Main. Manager
3	Remuneration received	6,84,000	4,44,000	3,33,000	4,21,128	3,55,560
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	MA, M.Phill	Graduate	Graduate	BSC	Graduate
6	Date of commencement of employment	2001	2020	July, 2020	2006	2006
7	The age of the employee	51 Y	54 Y	59 Y	48 Y	45 Y
8	The last employment held by such employee before joining the company	Nil	Nil	Nil	Nil	Nil
9	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.	Nil	Nil	Nil	Nil	Nil
10	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager N	No relationship	No relationship	No relationship	No relationship	No relationship



### **ANNEXURE-VI**

**The details of remuneration during the year 2020-21 as per Rule 5 (1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2015 are as follows:**

Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

<b>Sl No</b>	<b>Particulars</b>	<b>Details</b>
1	The ratio of remuneration to each director to the median remuneration of the employees of the company for the financial year.	Nil
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Insignificant increase to CS and CFO
3	The percentage increase in the median remuneration of employees in the financial year	Insignificant increase to employees
4	The number of employees on the rolls of the company	53
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and details if there are any exceptional circumstances for increase in the managerial remuneration	Insignificant increase
6	Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration of Directors was as per the policy on nomination, remuneration and Board diversity of the Company.

Note: Directors have not drawn remuneration including the sitting fee for the financial year 2020-2021.

**ANNEXURE-VII**

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members,  
Southern Online Bio Technologies Limited,  
Hyderabad.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under to the extent of Regulation 76;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(not Applicable to the Company during the Audit Period);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(not Applicable to the Company during the Audit Period);**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations) **(not Applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 **(not Applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not Applicable to the Company during the Audit Period);**

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(not Applicable to the Company during the Audit Period);**
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 **(not Applicable to the Company during the Audit Period);**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

(vi) We further report that, having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof the Company has complied with the following laws applicable specifically to the Company:

- (a) Telecom Regulatory Authority of India, 1997
- (b) Information Technology Act, 2000
- (c) Water (Prevention and Control of Pollution) Act, 1974
- (d) Air (Prevention and Control of Pollution) Act, 1981
- (e) Environment Protection Act, 1986

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The agenda items are deliberated before passing the same and views/observations made by the Directors are recorded in the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with

the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, except for the following events, there were no events/actions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards:

- a) The Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench vide their Order passed on November 26, 2019 (a certified copy of which was applied for and received during the audit period) permitted the Company to be taken over by Dr. Pagidipati Devaiah (hereinafter termed 'the Purchaser'), the highest bidder in e-auction conducted by the Liquidator under IBC, 2016. As per the Order, the Company was sold to the Purchaser as a going concern by extinguishing all the existing shares of the Company and new shares to be allotted to the Purchaser and his associates. Accordingly, 5,89,93,288 equity shares of Rs. 10/- each were extinguished on December 12, 2020 and 4,50,00,000 new equity shares of Rs. 10/- each were allotted to Dr. Devaiah Pagidipati and his associates on December 12, 2020.
- b) In terms of the aforesaid Order of the NCLT, the Company is entitled to list its equity shares on the Stock Exchanges as per the provisions of Law and in compliance with the listing requirements. Accordingly, the Company has requested BSE Limited to permit its new equity shares issued for trading on the Stock Exchange.
- c) The Liquidator appointed by the Hon'ble NCLT, Hyderabad Bench has issued a Sale Certificate on January 2, 2020 in favour of the Purchaser and accordingly, possession of the Company along with its assets and liabilities, was also handed over to the Purchaser on the same day.
- d) The Hon'ble NCLT, Hyderabad Bench vide its Order dated June 22, 2020 closed the Liquidation proceedings, under Insolvency and Bankruptcy Code, 2016 against the Company and the Liquidator thus appointed stood relieved.
- e) Dr. Divya Sunitha Raj Burra was appointed by the Board as Women Independent Director on November 6, 2020, subsequently ratified by the Members in the Annual General Meeting held on December 31, 2020.
- f) The appointment of Dr. Devaiah Pagidipati as Chairman & Managing Director of the Company for a period of 3 years with effect from January 1, 2021, was approved by the Members in the Annual General Meeting held on December 31, 2020.

**For CSB Associates,**  
Company Secretaries

Place: Hyderabad  
Date: 30-06-2021

**C. Sudhir Babu**  
Proprietor  
FCS: 2724, CP: 7666  
UDIN: **F002724C000553263**

**Note: This letter is to be read with our letter of even date which is annexed and form an integral part of this report.**

## ANNEXURE

The Members,  
Southern Online Bio Technologies Limited,  
Hyderabad.

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- (2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) No audit has been conducted on the compliance with finance and taxation laws as the same are subject to audit by the Statutory Auditor and Internal Auditor to the Company and their observations, if any, shall hold good for the purpose of this audit report.
- (5) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. Appropriate averments and representations of the Company in respect of matters that could not be verified have also been obtained by way of Management representations
- (6) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on random test basis.
- (7) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- (8) Audit of the compliance with Other Laws has been undertaken based on scope of audit and the applicability of such Laws as ascertained by the Company and informed to us.
- (9) We have relied on reports/orders/communications of Official Liquidator, National Company law Tribunal, and Internal Audit to the extent made available to us and the compliance with the observations/operative clauses contained in such reports/orders/communications have been verified based on the records made available to us.
- (10) Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by/ obtained from the Company electronically and also the information provided by the Company and its officers by audio and visual means.

**For CSB Associates,**  
Company Secretaries

Place: Hyderabad  
Date: 30-06-2021

**C. Sudhir Babu**  
Proprietor  
FCS: 2724, CP: 7666

**ANNEXURE-VII(A)**

**SECRETARIAL COMPLIANCE REPORT OF SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED FOR  
THE YEAR ENDED MARCH 31, 2021**

To  
Southern Online Bio Technologies Limited,  
Flat #A3, 3<sup>rd</sup> Floor, Samrat Complex,  
Opp. AG's Office, Saifabad,  
Hyderabad – 500004.

We, CSB Associates, Company Secretaries, have examined:

- a) all the documents and records made available to us and explanation provided by Southern Online Bio Technologies Limited ("the Listed Entity"),
- b) the filings/ submissions made by the listed entity to the Stock Exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2021("Review Period") in respect of compliance with the provisions of:

- a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (there were no events requiring compliance during the Review Period)
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (there were no events requiring compliance during the Review Period)
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (there were no events requiring compliance during the Review Period)
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (there were no events requiring compliance during the Review Period)
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (there were no events requiring compliance during the Review Period)
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (there were no events requiring compliance during the Review Period)
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder;

- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder to the extent applicable pursuant to the Order dated 26<sup>th</sup> November, 2019 issued by the Hon'ble NCLT, Hyderabad Bench, Order.
- b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- c) There were no actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- d) The reporting of actions by the listed entity to comply with the observations made in previous reports is not applicable during the Review Period.

**For CSB Associates,**  
Company Secretaries

Place: Hyderabad  
Date: 30-06-2021

**C. Sudhir Babu**  
Proprietor  
FCS: 2724, CP: 7666  
**UDIN: F002724C000539260**

**ANNEXURE-VII(B)****CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) read with Schedule V of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

**M/s. SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED**

Flat No. A3, 3<sup>rd</sup> Floor, Office Block,

Samrat Complex, Saifabad,

Hyderabad, Telangana – 500004.

We have examined and verified the books, papers, minute books, forms and returns filed and other records maintained by M/s. Southern Online Bio Technologies Limited (hereinafter referred to as the "Company") having its registered office at Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana – 500004 and the information provided by the Company and its directors and also based on the information available at the websites of Ministry of Corporate Affairs (i.e. www.mca.gov.in) and Securities and Exchange Board of India (i.e. www.sebi.gov.in), we hereby certify that as on the date of this certificate, none of the below mentioned directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

<b>SI No</b>	<b>Name of the Director</b>	<b>Director Identification Number (DIN)</b>
1	Dr Devaiah Pagidipati	05147621
2	Mr Brijmohan Venkata Mandala	00295323
3	Mr Yalamanchili Madana Mohana Rao	00745820
4	Dr Divya Sunitha Raj Burra	03412586

**For RPR & ASSOCIATES**

Company Secretaries

Place: Hyderabad

Date: June 30, 2021

**Y. Ravi Prasada Reddy**

Proprietor

FCS No. 5783, C P No. 5360

**UDIN: F005783C000547951**



## ANNEXURE-VIII

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns

The total revenue of the Company for the financial year ended March 31, 2021 is Rs 220.99 lakhs as compared to the previous year's total revenue of Rs 33666.10 lakhs. During this financial year the Company has accrued a net profit of Rs 45.97 lakhs as against the previous year's net profit of Rs 16582.31 lakhs.

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

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

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

Company plans to revive the present situation.

#### b) Internal Financial Control Systems and their Adequacy

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

#### c) Financial review

The Highlights of Financial Operational Performance are given below:

(Rs. In Lakhs)

Particulars	2020-21	2019-20	2018-19
Total Income	220.99	33,666.10	370.66
Total Expenditure	171.49	9,098.90	1,973.94
Profit before Tax	49.50	24,567.20	(1,603.28)
Provision for Tax	3.54	7,984.89	(6,143.24)
Profit after Tax	45.96	16,582.31	4,539.96
Transfer to General Reserve	45.96	16,582.31	-
Profit available for appropriation	-	-	4,539.96
Provision for Proposed Dividend	-	-	-
Provision for Corporate Tax	-	-	-
Balance Carried to Balance Sheet	45.96	16,582.31	4,539.96

#### d) Human Resources Development and Industrial Relations

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

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

#### **e) Closure of Liquidation process against the Company during the Year**

The members are informed that pursuant to the order of the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench dated October 05, 2018 ("NCLT Order"), Corporate Insolvency Resolution Process ("CIRP") has been initiated for the Southern Online Bio Technologies Limited ("the Company") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued thereunder ("Code").

Mrs. CA G Kalpana, was appointed as Interim Resolution Professional (IRP) in terms of the NCLT Order who took over the management of the Company w.e.f. October 05, 2018. The Board of Directors existing as on October 05, 2018 were suspended as on that date. Subsequently, the IRP was appointed as the Resolution Professional (RP) by the Committee of Creditors as per the provisions of the Code ("Resolution Professional"). When no resolution plan came forth, the Committee of creditors in its 14<sup>th</sup> meeting resolved to liquidate the Corporate Debtor. Following which the Hon'ble NCLT, Hyderabad bench on July 16, 2019 passed an order, in IA No. 565/2019 preferred by the RP for liquidating the Southern Online Bio Technologies Limited (the Corporate Debtor Company) for liquidation of the Southern Online Bio Technologies Limited (Company) by appointing Mrs. CA G Kalpana as Liquidator of the Corporate Debtor Company.

The Liquidator has issued sale notice for the sale of the Company as a going concern on October 13, 2019 and the date of E-Auction is on October 22, 2019.

Pursuant to the sale notice issued by the Liquidator, Dr Devaiah Pagidipati applied to participate in the E-Auction duly submitting the required documents and EMD amount of Rs. 5.17 Crores in the form of Demand Draft and the Liquidator after verifying the documents, declared him as the Qualified bidder and issued Login Id and Password to participate in the E-Auction.

The Qualified bidder i.e. Dr Devaiah Pagidipati participated in the E-Auction and submitted his bid for Rs. 51.70 Crores and has been declared as the Successful Bidder by the Liquidator and the Liquidator issued Letter of Intent to the Successful Bidder on October 29, 2019 to pay the balance sale consideration of Rs. 46.53 Crores plus GST and other applicable taxes if any after deducting EMD amount within 30 days from the date of issuance of the Letter of Intent or within 90 days provided that the payment made after 30 days will attract interest at the rate of 12% from the date of the issuance of the Letter of Intent.

The Successful Bidder i.e. Dr Devaiah Pagidipati paid an amount of Rs.41.53 Crores on November 28, 2019 and Rs.2 Crores on November 29, 2019 and balance Rs. 3 Crores on December 04, 2019 and paid an interest amount of Rs. 55,890/- (Rs. 6,575/- for one day and Rs. 49,315/- for 5 days) towards delayed payment.

In consideration of the payment of Rs. 51.70 Crores the Company M/s Southern Online Bio Technologies Limited (in Liquidation) is sold on 'as is where is and as is whatever there is without recourse basis' in favour of Dr Devaiah Pagidipati, 409, Jayabheri Silicon County, Kondapur Post, Madhapur, Hyderabad-500084 and the possession of the Company has also handed over to him on January 02, 2020 by issuing a sale certificate to him by the Liquidator.

Consequent to the above sale, the Hon'ble NCLT, Hyderabad bench issued a written Order on June 22, 2020 in IA No. 196/2020 in CP IB No. 343/7/HDB/2018 for closure of liquidation process against the Company.

Consequent to the NCLT Order dated June 22, 2020 for disposal of liquidation process against the Company and based on the NCLT Order dated November 26, 2019, The new promoter had taken steps for removal of old directors and management of the Company and formed the new board of directors. Thereafter the board of directors in its meeting held on December 12, 2020 took note of extinguishment of entire old share capital and allotted new shares of 45000000 of Rs. 10/- each in compliance with the NCLT Order dated November 26, 2019.

The Company has obtained the listing approval for extinguishment of erstwhile share capital and allotment of new shares from BSE on February 13, 2021 and is in the process of obtaining the trading approval.

**f) Outlook**

As per Government of India's Initiatives to promote the use of Bio diesel fuel, Government has made it compulsory to use 5% as bio diesel fuel of its total fuel requirement. On account of this mandatory action, the Company has good number of orders in hand various Government owned transport organizations. Indian Government has introduced a new policy. The Goal policy is to ensure that a minimum level of biofuels become readily available in the market to meet the demand at any given time. An indicative target of 5% blending of bio diesel by 2030 is proposed. Hence the Biodiesel industry has got very good future and the Company plans to revive the present situation.

By order of the Board  
**For Southern Online Bio Technologies Limited**

Date: August 31, 2021  
Place: Hyderabad

**Dr Devaiah Pagidipati**  
Chairman & Managing Director  
DIN: 05147621

**Mr Brijmohan Venkata  
Mandala**  
Director  
DIN: 00295323

## **ANNEXURE-IX**

### **REPORT ON CORPORATE GOVERNANCE**

#### **1. Company's philosophy on corporate governance**

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

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

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

#### **2. Board of Directors**

##### **a) Composition and Category of Directors**

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31, 2021, the Board of Directors ("Board") comprises of four Directors, of which one is Executive, one is Non-Executive Non-Independent and the other two are Independent Directors. The composition and category of the Board of Directors is as follows:

The old board of director's stands vacated from the date on which the liquidator handed over the Company to Dr Devaiah Pagidipati who acquired the Company during the liquidation process as a going concern.

In consideration of the payment of Rs. 51.70 Crores, the Company M/s Southern Online Bio Technologies Limited (in Liquidation) is sold on 'as is where is and as is whatever there is without recourse basis' in favour of Dr Devaiah Pagidipati, 409, Jayabheri Silicon County, Kondapur Post, Madhapur, Hyderabad-500084 and the possession of the Company has also handed over to him on January 02, 2020 by issuing a sale certificate to him by the Liquidator.

Consequent to the above sale, the Hon'ble NCLT, Hyderabad bench issued a written Order on June 22, 2020 in IA No. 196/2020 in CP IB No. 343/7/HDB/2018 for closure of liquidation process against the Company.

Accordingly, the new board comprises the following as on March 31, 2021.

S. No	Name of Director	Designation	Category
1	Dr Devaiah Pagidipati	Managing Director	Promoter
2	Mr Brijmohan Venkata Mandala	Non-Executive Director	Promoter group
3	Mr Madana Mohana Rao Yalamanchili	Director	Independent
4	Dr Divya Sunitha Raj Burra	Director	Independent

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

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended March 31, 2021 has been set out here below:

S. No.	Name of Director	No. of Board Meetings		Attendance at last AGM
		Held	Attended	
1	Dr Devaiah Pagidipati	7	6	Yes
2	Mr Brijmohan Venkata Mandala	7	7	Yes
3	Mr Madana Mohana Rao Yalamanchili	7	7	Yes
4	Dr Divya Sunitha Raj Burra	5	3	Yes

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

S. No.	Name of Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Dr Devaiah Pagidipati	9	-	-
2	Mr Brijmohan Venkata Mandala	7	4	2
3	Mr Madana Mohana Rao Yalamanchili	4	-	-
4	Dr Divya Sunitha Raj Burra	1	-	-

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

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

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Seven Board Meetings were held during the financial year ended March 31, 2021.

The dates on which the Board meetings were held are:

14.08.2020, 06.11.2020, 13.11.2020, 12.12.2020, 29.12.2020, 13.02.2021, 09.03.2021

**e) Disclosure of relationship between new directors inter-se**

None of the Directors are related to any other Director.

**f) Shares held by Non-Executive Directors**

The number of equity shares of the Company held by the non-executive directors, as on March 31, 2021 are as follows:

S No	Name of the Director	No of Equity Shares
1	Mr Brijmohan Venkata Mandala	1000

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

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

**3. Board Committees**

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

**I. Audit Committee**

**a) Brief description of terms of reference**

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

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

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

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

#### b) Composition, Name of members and Chairman

As on the date of this Report, the Audit Committee comprises of Two Independent Directors and One Executive Director. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

S No	Name of the Director	Designation
1	Dr Divya Sunitha Raj Burra	Chairperson
2	Mr Madana Mohana Rao Yalamanchili	Member
3	Dr Devaiah Pagidipati	Member

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

#### c) Meetings and attendance during the year

- Two Audit Committee Meetings were held during the financial year ended March 31, 2021. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.
- The Audit Committee meetings were held on

13.11.2020, 29.12.2020, 13.02.2020

- Attendance at the Audit Committee Meeting:

S. No.	Name of Director	No. of Meetings	
		Held	Attended
1	Dr Devaiah Pagidipati	3	2
2	Mr Madana Mohana Rao Yalamanchili	3	3

3	Dr Divya Sunitha Raj Burra	3	2
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The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The chairperson of the Audit Committee attended the Annual General Meeting to answer the queries raised by the shareholders regarding Audit and Accounts.

## II. Nomination & Remuneration Committee

### a) Brief description of terms of reference

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

### b) Composition, Name of members and Chairman

As on the date of this Report, the Nomination and Remuneration Committee was constituted by the Board with 2 Independent Directors and 1 Non-Executive Director. The following is the composition of the Committee.

S No	Name of the Director	Designation
1	Dr Divya Sunitha Raj Burra	Chairperson
2	Mr Brijmohan Venkata Mandala	Member
3	Mr Madana Mohana Rao Yalamanchili	Member

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

### c) Nomination and Remuneration Committee meetings

During the period from April 01, 2020 to March 31, 2021, One Nomination and Remuneration Committee Meeting held on 13.11.2020 for which all the members of the committee were present.

### d) Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of



responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.

- The Non-executive directors are not paid sitting fees for attending meetings of Board/Committee.

#### e) Performance Evaluation of Directors

The criteria and the procedure for the process of Board evaluation is mentioned in the Directors' report.

### III. Independent Directors' Meeting

During the period from April 01, 2020 to March 31, 2021, One Independent Directors Meeting held on 13.02.2021.

### IV. Stakeholders Relationship Committee

#### a) Brief description of terms of reference

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

#### b) Composition as on the date of this Report

S No	Name of the Director	Designation
1	Dr Divya Sunitha Raj Burra	Chairperson
2	Mr Brijmohan Venkata Mandala	Member
3	Mr Madana Mohana Rao Yalamanchili	Member

#### c) Name and designation of Compliance Officer

W.e.f. 13<sup>th</sup> November, 2020 Mr Srikanth Reddy Kolli, appointed as Company Secretary who acted as a Compliance Officer of the Company.

#### d) Number of Shareholders complaints received so far

During the year ended March 31, 2021, the Company has not received any complaints.

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

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

### Remuneration of Directors

#### a) Details of Remuneration of Non-executive Directors

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

#### b) Details of Remuneration of Executive Directors and Key Managerial Personnel: Nil

#### 4. General Body Meetings

##### a) Location and Time, where last three Annual General Meetings held

Year	Locations	Date	Time
22 <sup>nd</sup> AGM (2019-20)	Anion Conference Room, 8th Floor, Swarna Jayanti Complex, Beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038	December 31, 2020	10.00 A.M
21 <sup>st</sup> AGM (2018-19)	Anion Conference Room, 8 <sup>th</sup> Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038	December 06, 2020	11.30 A.M
20 <sup>th</sup> AGM (2017-18)	Dwaraka Conference Hall, Bandlaguda Cross Roads, Rajendranagar Mandal, Hyderabad -500 080	September 29, 2018	10.00 A.M

#### 5. Means of Communication

##### a) Financial / Quarterly Results

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

##### b) Newspapers wherein results normally published

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

##### c) Any website, where displayed

The results of the Company are published on the Company's website: [www.sol.net.in](http://www.sol.net.in)

##### d) Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company's website: [www.sol.net.in](http://www.sol.net.in)

##### e) Presentations made to institutional investors or to the analysts

There are no presentations made to the investors / analysts.

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

#### 6. General shareholder information

Annual General Meeting	Date : September 25, 2021
	Time : 10.30 AM
	Venue : Anion Conference Room, 8 <sup>th</sup> Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038

Financial Calendar	April 01, 2020 to March 31, 2021
Date of Book Closure	September 19, 2021 to September 25, 2021 (both days inclusive)
Dividend Payment Date	Nil
Listing on Stock Exchanges	BSE Ltd
Scrip/Stock Code	532669 on BSE
ISIN Number for	INE371B01023

### Market price data

Trading in the shares of the Company was suspended by the stock exchange due to admission of the Company for Insolvency Resolution Plan and later for Liquidation. As per NCLT Order, all the erstwhile shares of the Company were extinguished and new shares were allotted on December 12, 2020 for which the Company obtained listing approval from BSE on February 12, 2021 and in the process of obtaining trading approval from BSE.

### Registrar & Transfer agents

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

### Share Transfer System

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

From the date of Order passed by the Hon'ble NCLT, Hyderabad dated November 26, 2020 read with the Sale Certificate issued by the Liquidator to Dr Devaiah Pagidipati and the Hon'ble NCLT Order dated June 22, 2020 for closure of liquidation process against the Company, all the erstwhile paid up share capital of Rs. 589932880/- stands extinguished and the New paid up share capital of Rs. 450000000/- belongs to Promoter – Dr Devaiah Pagidipati and his associates which is in physical form and the Company is in the process of dematerialization. The Company's Registrars are M/s Aarathi Consultants Pvt. Ltd., having their registered office at 1-2-285, Domalguda, Hyderabad - 500 029.

### Plant Locations

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

### Address for Correspondence

Sl. No	Shareholders Correspondence for	Address
1	Transfer/ Dematerialization/ Consolidation/ Split of shares, Issue of Duplicate Share Certificates, Non- receipt of dividend/ Bonus shares, etc., change of	<b>M/s. Aarathi Consultants Pvt Ltd</b> 1-2-285, Domalguda, Hyderabad -500029. Tel:(040)27642217/27638111 Fax: (040) 27632184

	address of Members and Beneficial Owners and any other query relating to the shares of the Company.	Email:info@aarthiconsultants.com
2	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<b>Southern Online Bio Technologies Limited</b> Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500 004 Website: www.sol.net.in, E-mail: cs@sol.net.in

## 7. Other Disclosures

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

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

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

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

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

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

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

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

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

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

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

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

Not applicable

- h. **As on March 31, 2021, the Company has complied with the requirements of the Schedule V Corporate Governance report sub- paras (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

## 8. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

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

9. **As on March 31, 2021, the Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:**

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

## 10. Code of Conduct

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

## 11. MD and CFO Certification

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, MD and CFO of the Company have submitted a certificate, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The

certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

## **12. Disclosure with respect to Demat suspense account/ unclaimed suspense account**

As per the Order of Hon'ble NCLT dated November 26, 2019, all the old shareholders capital was extinguished and those old shareholders will become claimants from liquidation proceeds u/s 53 of the Code. Accordingly there are no unclaimed securities to be kept in the demat suspense account.

## **13. Proceeds from public issues, rights issues, preferential issues, etc.**

During the year ended March 31, 2021, there were no proceeds from public issues, rights issues, preferential issues, etc. However during the year under review, the Company was sold as a going concern during its liquidation course to Dr Devaiah Pagidipati for an amount of Rs. 51.70 crores and the Hon'ble NCLT Order dated November 26, 2019 directed the Company that all the existing shares of the Company shall be extinguished and those existing shareholders will become claimants from liquidation proceeds u/s. 53 of IBC (Code) and further directed that upon payment of entire bid amount by Dr Devaiah Pagidipati, the Company without requirement of any further act, deed or thing, shall allot 4,50,00,000 equity shares at a face value of Rs. 10/- each for an amount of Rs. 45 Crores to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company and such allotment shall be deemed to have been made in accordance with applicable laws. The said Order also directed that the balance amount of Rs. 6.70 Crores shall be accounted in the form of unsecured debt to the Company by Dr Devaiah Pagidipati. The board of directors in its meeting held on December 12, 2020 allotted 4.5 crore equity shares of Rs. 10 each in compliance with NCLT Order.

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

**15.** The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.sol.net.in>.

## **16. Company's Policy on prevention of insider trading**

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

As on March 31, 2021, Mr Srikanth Reddy Kolli, Company Secretary of the Company is acting as Compliance Officer for the said purpose. The code is applicable to all such employees, officers, Directors and Promoters of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self-regulatory mechanism. The code has been circulated to all the members of the Board and Senior Management and others concerned the compliance of the same has been affirmed by them.

## 17. Risk Management Committee

During the year, the risk assessment parameters were reviewed and modified. The audit committee reviewed the element of risks and the steps taken to mitigate the risks. In the opinion of the Board, there are no major elements of risk which have the potential of threatening the existence of the Company.

The audit committee provides the framework of Risk Management by describing mechanisms for the proactive identification and prioritization of risks based on the scanning of the external environment and continuous monitoring of internal risk factors.

Analysis of the risks identified is carried out by way of focused discussion at the meetings of the Board. The robust governance structure has also helped in the integration of the Enterprise Risk Management process with the Company's strategy and planning processes where emerging risks are used as inputs in the strategy and planning process. Identified risks are used as one of the key inputs in the strategy and business plan.

By order of the Board  
**For Southern Online Bio Technologies Limited**

Date: August 31, 2021

Place: Hyderabad

**Dr Devaiah Pagidipati**  
Chairman & Managing Director  
DIN: 05147621

**Mr Brijmohan Venkata  
Mandala**  
Director  
DIN: 00295323

**MD & CFO CERTIFICATION TO THE BOARD**

Pursuant to Regulation 17(8) of SEBI (LODR), Regulations, 2015

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the Financial Year ended March 31, 2021 and that these statements;
  - i. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - ii. Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of Business conduct and Ethics.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d) We have disclosed, wherever applicable to the Auditors and the Audit Committee:
  - i. That there were no deficiencies in the design or operations of Internal Controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;
  - ii. That there are no material weaknesses in the internal controls over financial reporting;
  - iii. That there are no significant changes in internal control over financial reporting during the year;
  - iv. All significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes of the financial statements; and
  - v. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Southern Online Bio Technologies Limited**

Date: August 31, 2021

Place: Hyderabad

**Dr Devaiah Pagidipati**  
Chairman & Managing Director

**Mr U U V Ravikanth**  
Chief Financial Officer



### **DECLARATION ON CODE OF CONDUCT**

This is to confirm that the Board has laid down a code of conduct for all the Board members and Senior Management Personnel of the Company. The Code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2021 as envisaged in the chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Southern Online Bio Technologies Limited**

Date: August 31, 2021

Place: Hyderabad

**Dr Devaiah Pagidipati**  
Chairman & Managing Director

**P C N & Associates.**

Chartered Accountants

Plot No. 12, "N Heights", Ground Floor, Software Layout Unit, Cyberabad, Hyderabad – 500 081.

Ph. Nos. 040 23119499; email: pcnassocites@yahoo.com

To

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

**CERTIFICATE ON CORPORATE GOVERNANCE**

We have examined the compliance of conditions of corporate governance by M/s. Southern Online Bio Technologies Limited ("the Company"), for the year ended March 31, 2021, as per the relevant provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance Issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our explanations of the relevant records and the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We 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 C N & Associates.**

Chartered Accountants

Firm Registration No: 016016S

**K Gopal Krishna**

Partner

Membership No: 203605

**UDIN: 21203605AAAAP2916**

Place: Hyderabad

Date: Aug 10, 2021

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of**

**SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED**

**Report on the Ind AS Standalone Financial Statements**

### **Opinion**

We have audited the accompanying Ind AS Standalone financial statements of Southern Online Bio Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the company as at 31st March, 2021, and its profit including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

### **Emphasis of Matter**

The company is in the process of getting trading approval from the Bombay Stock Exchange Limited towards fully paid up shares which are allotted with reference to NCLT order. Our opinion is not modified in respect of above emphasis of matter.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these Ind AS Standalone financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with

the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
  - a) We have sought and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Ind AS Standalone financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in ' **Annexure B**'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company has disclosed the impact of pending litigation on its financial position to the extent ascertained, in its Ind AS Standalone financial statements
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - III. There have been no amounts required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2021.

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**K Gopala Krishna**

Partner

M.No. 203605

Place: Hyderabad

Date: June 30, 2021

**UDIN: 21203605AAAHB9434**

**Annexure A to the Auditors Report**

**Annexure referred to in Independent Auditors Report to the Members of Southern Online Bio Technologies Limited on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2021, we report that:**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant & Equipment (PPE).  
(b) As explained to us, the Property Plant & Equipment (PPE) have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.  
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. We have broadly verified the books of accounts and records maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a) According to the information and explanations given to us and based on the records of the company examined by us, in respect of the Statutory dues, the Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities for the current Financial year  
b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax and other material statutory dues in arrears as at 31st March 2021 for a period of more than 6 months from the date they became payable.  
c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues to Wealth Tax, Service Tax, Sales Tax, Goods and Services Tax, which have not been deposited on account of any disputes
- viii. In our opinion and according to the information and explanations given to us, the company has not availed any loans from financial institutions or banks as at balance sheet date as on the balance sheet date. The Company has not issued any debentures as on the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). No term loans were raised by the Company during the year.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has not paid/provided for managerial remuneration for the year under consideration.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. However, the company has issued shares in compliance with the directions given by the Hon'ble NCLT vide its order dated 26<sup>th</sup> November 2019.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

**For P C N & Associates.**

Chartered Accountants  
FRN: 016016S

**K Gopala Krishna**

Partner  
M.No. 203605

Place: Hyderabad

Date: June 30, 2021

**UDIN: 21203605AAAAHB9434**



## **Annexure B to the Independent Auditor's Report**

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

We have audited the internal financial controls over financial reporting of **Southern Online Bio Technologies Limited** ("the Company") as of 31<sup>st</sup> March 2021 in conjunction with our audit of Ind AS financial statements of the company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detailed, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the company has, to the best of our information and according to the explanations given to us, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For P C N & Associates.**

Chartered Accountants  
FRN: 016016S

### **K Gopala Krishna**

Partner  
M.No. 203605

Place: Hyderabad

Date: June 30, 2021

**UDIN: 21203605AAAAHB9434**

<b>M/s. Southern Online Bio Technologies Limited</b>			
<b>Standalone Balance sheet for the year ended as on 31 March 2021</b>			<b>(in Rs./-)</b>
<b>Particulars</b>	<b>Note No</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>I.ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Property, Plant and Equipment	2	51,55,39,982	51,70,31,567
(ii) Capital work-in-progress		3,55,04,461	-
(b) Financial assets: Investments	3	34,30,970	48,34,245
(c) Long term loans and advances	4	2,76,45,592	2,14,83,902
(d) Other non-current assets	5	2,55,41,697	2,95,36,888
<b>(2) Current assets</b>			
i) Financial assets:			
(a) Inventories	6	2,14,10,908	2,14,10,908
(b) Trade receivables	7	1,62,39,147	1,69,89,088
(c) Cash and cash equivalents	8	93,90,076	7,53,203
(d) Short-term loans and advances	9	17,79,469	1,62,394
(e) Other current assets	10	46,14,976	25,06,278
<b>Total</b>		<b>66,10,97,279</b>	<b>61,47,08,471</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Equity Share Capital	11	45,00,00,000	-
(b) Other Equity	12	4,90,77,006	4,44,80,349
(c) Non - Controlling Equity		-	-
<b>(2) Share application money pending for allotment</b>	13	-	45,00,00,000
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	14	9,87,11,844	7,87,55,000
(b) Deferred tax Liabilities / Assets (Net)	15	2,56,66,472	2,53,12,872
(c) Other Long term liabilities	16	1,50,000	2,50,300
(d) Long term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	17	-	-
(b) Trade payables	18	3,20,03,960	1,22,17,434
(c) Other current liabilities	19	11,00,230	-
(d) Short-term provisions	20	43,87,767	36,92,517
<b>Total</b>		<b>66,10,97,279</b>	<b>61,47,08,471</b>
Summary of Significant Accounting Policies the accompanying Notes are an Integral Part of the Financial Statements	1		

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited****K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director &amp;CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place : Hyderabad

Date : June 30, 2021

<b>M/s. Southern Online Bio Technologies Limited</b>			
<b>Standalone Statement of Profit and Loss for the year ended 31 March, 2021 -</b>			<b>(in Rs./-)</b>
<b>Particulars</b>	<b>Note No</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
1. Net Sales / Income from Operations	21	2,14,47,275	2,09,06,869
2. Other Operative Income	22	6,51,724	3,34,57,03,456
<b>3. Revenue from Operations (1+2)</b>		<b>2,20,98,999</b>	<b>3,36,66,10,325</b>
<b>4. Expenses:</b>			
Cost of materials consumed	23	-	1,68,770
Purchase of Stock-in-Trade	23	-	(2,44,42,854)
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	24	-	2,44,42,854
Employee benefit expense	25	34,22,649	66,99,334
Other operating expenses	26	1,09,62,909	46,49,86,236
Administrative Expenses	27	5,25,309	33,89,75,051
Financial costs	28	1,52,717	10,50,493
Depreciation and amortization expense	2	20,85,158	9,80,10,553
<b>4. Total Expenses</b>		<b>1,71,48,741</b>	<b>90,98,90,438</b>
<b>5. Profit / (Loss) before exceptional item and tax (3-4)</b>		<b>49,50,258</b>	<b>2,45,67,19,887</b>
<b>6. Exceptional Items Profit / (Loss) before exceptional item and tax</b>			
a. Provisions towards if any			
<b>7. Profit / (Loss) Before Tax</b>		<b>49,50,258</b>	<b>2,45,67,19,887</b>
<b>8. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		3,53,600	79,84,88,507
<b>9. Net Profit (+) / Loss (-) for the period (7-8)</b>		<b>45,96,658</b>	<b>1,65,82,31,380</b>
<b>10. Other Comprehensive Income (OCI)</b>			
A (i) Items that will not be reclassified subsequently to profit or loss (ii) Income tax on items that will not be reclassified subsequently to profit or loss			
B (i) Items that will be reclassified subsequently to profit or loss (ii) Income tax on items that will be reclassified subsequently to profit or loss			
Total Other Comprehensive Income / (Losses)		-	-
<b>11. Total Comprehensive Income for the period (9+10)</b>		<b>45,96,658</b>	<b>1,65,82,31,380</b>
<b>12. Paid-Up Equity Share Capital (Face Value Rs. 10/- each)</b>		45,00,00,000	45,00,00,000
<b>13. Total Reserves</b>		4,90,77,006	4,44,80,349
<b>14. Earnings Per Equity Share - (Face Value Rs.10/- each)</b>			
Basic (Rs.)		0.10	-
Diluted (Rs.)		0.10	-

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited**

**K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director & CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place : Hyderabad

Date : June 30, 2021

<b>M/s. Southern Online Bio Technologies Limited</b>		
<b>Standalone Cash Flow Statement For year ended 31 March, 2021 - (in Rs./-)</b>		
<b>Particulars (Year Ended)</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Loss before tax & extraordinary items	49,50,258	2,45,67,19,913
<b>Adjustments for:</b>		
Depreciation	20,85,158	9,80,10,553
Written off Expense	-	-
Finance Cost	1,52,717	10,50,467
<b>Operating Profit before working capital charges</b>	<b>71,88,133</b>	<b>2,55,57,80,933</b>
Increase in Loans and Advances	(58,92,273)	24,85,16,701
Trade and other receivables	7,49,941	2,65,73,493
Inventories	(0)	2,44,42,854
Trade payables	2,15,82,006	(11,08,99,536)
<b>Cash generated from operations</b>	<b>2,36,27,807</b>	<b>2,74,44,14,445</b>
Interest paid	1,52,717	10,50,467
<b>Cash flow before extraordinary items - (A)</b>	<b>2,34,75,090</b>	<b>2,74,33,63,978</b>
NET CASH FLOW FROM OPERATING ACTIVITIES		
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Work in Progress.	3,55,04,461	-
Interest and exp capitalization	-	-
Purchase of Fixed Assets	5,93,574	(45,44,50,827)
Investments made in subsidiaries	(14,03,275)	(11,66,863)
<b>Net cash used in investing activities - (B)</b>	<b>3,46,94,760</b>	<b>(45,56,17,690)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Creditors for capital goods		
Increase / decrease in Secured Loans	1,99,56,844	(3,59,35,51,260)
Increase / decrease in Long Term liabilities	(1,00,303)	(5,83,10,271)
Increase / decrease in Equity & Share Capital	-	(13,99,32,910)
Increase / decrease in Inc Capital Reserve	-	58,99,32,910
<b>Net Cash used in Financing activities - (C)</b>	<b>1,98,56,541</b>	<b>(3,20,18,61,531)</b>
<b>Net increase in cash and cash equivalents - (A-B+C)</b>	<b>86,36,871</b>	<b>(28,79,863)</b>
Cash and Cash equivalents as at (Opening Balance)	7,53,204	36,33,067
Cash and Cash equivalents as at (Closing Balance)	<b>93,90,075</b>	<b>7,53,204</b>

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited****K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director &amp; CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place : Hyderabad

Date : June 30, 2021

## 2. Property, plant and equipment

Particulars	Freehold lands	Leasehold land	Buildings @ 60 Years	Buildings @ 30 Years	Plant and equipment's	Furniture and fixtures	Vehicles	Office equipment's	Computers	Total
<b>Gross carrying value</b>										
<b>As at 1st April, 2020</b>	15,97,009	5,30,52,023	58,47,273	15,09,33,487	77,93,52,685	60,40,466	31,93,107	49,00,642	9,19,61,443	1,09,68,78,135
Additions	-	-	-	-	-	-	-	-	5,93,573	5,93,573
Deletions	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>15,97,009</b>	<b>5,30,52,023</b>	<b>58,47,273</b>	<b>15,09,33,487</b>	<b>77,93,52,685</b>	<b>60,40,466</b>	<b>31,93,107</b>	<b>49,00,642</b>	<b>9,25,55,016</b>	<b>1,09,74,71,708</b>
<b>Accumulated Depreciation</b>										
<b>As at 1st April, 2020</b>	-	-	12,67,322	4,15,42,060	43,17,23,539	58,94,056	25,58,206	49,00,242	9,19,61,143	57,98,46,567
Additions	-	-	30,615	-	19,42,426	-	-	-	1,12,116	20,85,157
Deletions	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>-</b>	<b>-</b>	<b>12,97,937</b>	<b>4,15,42,060</b>	<b>43,36,65,964</b>	<b>58,94,056</b>	<b>25,58,206</b>	<b>49,00,242</b>	<b>9,20,73,259</b>	<b>58,19,31,724</b>
<b>Net Carrying amount</b>										
<b>As at 1st April, 2020</b>	<b>15,97,009</b>	<b>5,30,52,023</b>	<b>45,79,951</b>	<b>10,93,91,427</b>	<b>34,76,29,147</b>	<b>1,46,410</b>	<b>6,34,901</b>	<b>400</b>	<b>300</b>	<b>51,70,31,568</b>
<b>As at 31st March, 2021</b>	<b>15,97,009</b>	<b>5,30,52,023</b>	<b>45,49,336</b>	<b>10,93,91,427</b>	<b>34,56,86,721</b>	<b>1,46,410</b>	<b>6,34,901</b>	<b>400</b>	<b>4,81,757</b>	<b>51,55,39,984</b>

(i) Leased Assets

The lease term in respect of assets acquired under finance leases expires within 19 - 20 years.

(ii) Assets given as security for borrowings

NA

(iii) Impairment

The Company has assessed recoverable amount of its property, plant and equipment by estimating its value in use. Based on the aforementioned assessment it has been concluded that the recoverable amount is higher than the respective carrying amount.

**Capital work in progress**

Particulars	Amount – Rs./-	Particulars	Amount – Rs./-
<b>Gross carrying value</b>		<b>As at 1st April, 2019</b>	-
<b>As at 1st April, 2020</b>	-	Additions	-
Additions	3,55,04,461	Transfers	-
Transfers	-	Ind AS adjustments	-
<b>As at 31st March, 2021</b>	<b>3,55,04,461</b>	<b>As at 31st March, 2020</b>	-
<b>Net Carrying amount</b>		<b>Net Carrying amount</b>	
<b>As at 1st April, 2020</b>	-	<b>As at 1st April, 2019</b>	-
<b>As at 31st March, 2021</b>	<b>3,55,04,461</b>	<b>As at 31st March, 2020</b>	-

**NOTE NO. 3 : Non - Current Investments - (Rs./)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	34,30,970	48,34,245
	<b>Total Non - Current Investments</b>	<b>34,30,970</b>	<b>48,34,245</b>

**NOTE NO. 4 : Long Term Loans & Advances - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Long - term loans and advances:		
	a) Security Deposit		
	Secured	63,04,602	15,85,000
	c) Loans and advances to related parties (giving details thereof)		
	Secured	2,11,01,768	1,96,98,493
	Unsecured	-	-
	Doubtful	-	-
	d) Other loans And advances (Employees)		
	Secured	2,39,222	2,00,409
	Unsecured	-	-
	Doubtful	-	-
	<b>Total Long Term Loans &amp; Advances</b>	<b>2,76,45,592</b>	<b>2,14,83,902</b>

**NOTE NO. 5 : Other Non-Current Assets - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Long Term Trade Receivables		
	(Including trade receivables on Deferred Credit Basis)		
a	Secured	2,55,41,697	2,95,36,888
b	Unsecured	-	-
	<b>Total Other Non-Current Assets</b>	<b>2,55,41,697</b>	<b>2,95,36,888</b>

**NOTE NO. 6 : Inventories - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Inventories :		
	a) Raw materials& Others		
	<b>Sub Total</b>	-	-
	b) Finished goods		
	Other Stock	2,14,10,908	2,14,10,908
	<b>Sub Total</b>	<b>2,14,10,908</b>	<b>2,14,10,908</b>
	<b>Total Inventories</b>	<b>2,14,10,908</b>	<b>2,14,10,908</b>

**NOTE NO. 7 : Trade Receivables - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
1	Trade Receivables	-	-
	Secured - Below 6 Months	11,08,209	-
	Un Secured - Above 6 Months	1,92,600	20,50,750
	Other debts	1,49,38,338	1,49,38,338
	<b>Total Trade Receivables (net)</b>	<b>1,62,39,147</b>	<b>1,69,89,088</b>

**NOTE NO. 8 : Cash & Bank Balances - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Cash and cash equivalents :		
	a) Balances with banks - On Current Accounts	93,70,060	7,45,751
	b) Cash on hand	20,016	7,452
	<b>Total Cash and Cash Equivalents</b>	<b>93,90,076</b>	<b>7,53,203</b>

**NOTE NO. 9 : Short Term Loans & Advances - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Short - Term Loans and Advances		
	a) Loans and Advances to Related Parties		
	Secured	14,44,459	-
	Unsecured	-	-
	Inter Divisions	(2)	(0)
	b) Other Loans and Advances		
	Secured - Raw Materials etc,	-	-
	Secured - Other Advances	3,35,012	1,62,394
	Insurance Claim / Others	-	-
	<b>Total Short Term Loans &amp; Advances</b>	<b>17,79,469</b>	<b>1,62,394</b>

**NOTE NO. 10 : Other Current Assets - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Unamortised Premium on forward contracts		
	VAT Input/TDS Receivable/GST Input	46,14,976	25,06,278
	<b>Total Other Current Assets</b>	<b>46,14,976</b>	<b>25,06,278</b>



**NOTE NO. 11 : EQUITY SHARE CAPITAL**

S. No.	Particulars	As at 31.03.2021		As at 31.03.2020	
		No. of Shares	(Rupees)	No. of Shares	(Rupees)
a	Equity Share Capital ( For each class of capital )				
	(a) Authorised	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	4,50,00,000	45,00,00,000	-	-
	(c) Subscribed & Fully Paid Up	4,50,00,000	45,00,00,000		-
	(d) Subscribed & not fully paid up	-			
	(e) Par value per share Rs. 10	10			
	<b>Total Equity Share capital</b>		45,00,00,000		-
b	<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>	Number of Shares		Number of Shares	
	<b>Equity Shares of Rs.10 Each, Fully paid up :</b>				
	At the Beginning		-		-
	Issued during the year - Bonus Issue		-		-
	Issued during the year - Cash Issue		-		-
	Issued during the year - ESOP		-		-
	Issued during the year *		4,50,00,000		-
	Forfeited / Bought Back during the year		-		-
	At the end		4,50,00,000		-
c	<b>Details of Shareholder holding more than 5% shares of the company:</b>	<b>% of Share Holding</b>		<b>% of Share Holding</b>	
	<b>Equity Shares of Rs. 10 each Held By</b>				
	(a) Share Holder - Dr. Devaiah Pagidipati - No. of Shares (C.Y) 4,49,94,000, No. of Shares (P.Y) 0	4,49,94,000	99.9867%		

**\*Note:** Southern Online Bio Technologies Limited (Company) has been admitted for Corporate Insolvency Resolution Process (“CIRP”) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an Order of the Honorable National Company Law Tribunal, Hyderabad Bench (“NCLT”) dated 05th October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05th October, 2018. Subsequently, she was appointed as

the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14th meeting resolved to liquidate the Company. Following which the Hon'ble NCLT, Hyderabad bench on 16th July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr Devaiah Pagidipati as a going concern which was approved by Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in favour of Dr Devaiah Pagidipati on January 02, 2020, the following persons will be allotted shares in the new created share capital of the Company. The earlier shareholders will be written off in full and shall stand permanently extinguished and due to the same earlier Equity Shares existing as on March 31st, 2020 transferred to Capital Redemption Reserve account. Since the allotment towards New Share Holders pending in BSE & ROC, the same has been treated as share application Money for the Year 2019-20. During the current year FY 2020-21, Equity shares are classified as equity, the equity to the tune of Rs. 45.00 Crs.

SI No	Name and Address of the Allottee	Regd. Folio No	Share Certificate No	Distinctive No's.	No. of Equity shares of Rs. 10/- each
1	Dr Devaiah Pagidipati H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	01	01	01 to 4,49,94,000	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	02	02	4,49,94,001 to 4,49,95,000	1,000
3	Mr.BrijmohanVenkata Mandala 7-1-35-35/A, Flat No-405, ViswaSwapnika Apartment, ShyamKaram Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	03	03	4,49,95,001 to 4,49,96,000	1,000
4	Mr.RajasekharGopalajosyula 1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080	04	04	4,49,96,001 to 4,49,97,000	1,000
5	Mr.GottipatiVenkata Rama Krishna Prasad	05	05	4,49,97,001 To	1,000

	1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist-521137 Andhra Pradesh			4,49,98,000	
6	Mr.Raghuram Garimella 4-11-31, Himagiri Colony, Road No-3, GandamGuda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091	06	06	4,49,98,001 to 4,49,99,000	1,000
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	07	07	4,49,99,001 to 4,50,00,000	1,000

**NOTE NO. 12 : Other Equity (Reserves and Surplus) - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Other Equity		
	a) Capital reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised for during the year		
	<b>Total</b>	-	-
	b) Capital Redemption reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	-	87,62,83,410
	Less: Transferred to Surplus	-	87,62,83,410
	<b>Total</b>	-	-
	c) Securities Premium Reserve		
	As at the commencement of the year	-	25,31,87,500
	Add: Additions during the year	-	-
	Less: Transferred to Capital Redemption Reserve	-	25,31,87,500
	<b>Total</b>	-	-
		-	-
	d) Surplus :		
	i) Opening Balance - Profit and Loss Account	4,09,82,572	(2,49,35,32,244)
	Less: Transfer from Capital Redemption Reserve	-	87,62,83,410
	Add: Transfer from Profit & Loss Account	45,96,658	1,65,82,31,406
		4,55,79,230	4,09,82,572
	e) Share warrants forfeited premium :		
	As at the commencement of the year	-	3,31,63,000
	Add: Additions during the year	-	-
	Less: Transferred to Capital Redemption Reserve	-	3,31,63,000
		-	-
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	<b>Total Other Equity</b>	<b>4,90,77,007</b>	<b>4,44,80,349</b>

**NOTE NO. 13 : Share Application Money Pending Allotment - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Share Application Money	-	-
	Add : Received	-	45,00,00,000
	<b>Total Share Application Money</b>	-	45,00,00,000
	Less : Share Application money equity shares allotted	-	-
	<b>Total Share Application Money Pending Allotment</b>	-	<b>45,00,00,000</b>

**NOTE NO. 14 : Long Term Borrowings - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Long Term borrowings		
	<b>a) Secured Term Loans from Banks:</b>		
	From banks:		
	Secured		
	<b>TERM LOANS :</b>		
	Bank's	-	-
	<b>b) Unsecured Loans from Directors / Others:</b>		
	Unsecured Loan - Dr. Pagidipati Devaiah	8,75,96,844	6,76,40,000
	Others	1,11,15,000	1,11,15,000
	<b>Total Long Term Borrowings</b>	<b>9,87,11,844</b>	<b>7,87,55,000</b>

**NOTE NO. 15 : Deferred Tax Asset / (Liability) - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Opening Deferred tax Liability	2,88,84,956	2,88,84,956
	Add:	-	-
	Reversal of Deferred Tax asset/(Liability)	-	-
	DTL During the year	3,53,600	-35,72,084
	<b>Gross Deferred tax Liability</b>	<b>2,92,38,556</b>	<b>2,53,12,872</b>
	Opening Deferred tax Asset	35,72,084	80,20,60,591
	DTA During the Year	-	80,20,60,591
	<b>Gross Deferred tax Asset</b>	<b>35,72,084</b>	-
	<b>Deferred Tax Asset / (Liability)</b>	<b>(2,56,66,472)</b>	<b>(2,53,12,872)</b>

**NOTE NO. 16 : Other Long Term Borrowings - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	a) Other long term liabilities		
	- Other Liabilities	1,50,000	1,50,000
	- Capex payable	-	1,00,300
	<b>Total Other Long Term Borrowings</b>	<b>1,50,000</b>	<b>2,50,300</b>

**NOTE NO. 17 : Short Term Borrowings - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Short term borrowings	-	-
	<b>Total Short Term Borrowings</b>	<b>-</b>	<b>-</b>

**NOTE NO. 18 : Trade Payables - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	a) Trade Payables	20,54,368	1,22,17,434
	b) Trade Payables - RPT	2,99,49,592	-
	<b>Total Trade Payables</b>	<b>3,20,03,960</b>	<b>1,22,17,434</b>

**NOTE NO. 19 : Other Current Liabilities - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	GST	1,23,312	-
II	TDS & Others	9,76,918	-
	<b>Total Short Term Provisions</b>	<b>11,00,230</b>	-

**NOTE NO. 20 : Short Term Provisions - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>a) Provision for Employee Benefit</b>		
	PF Payable	69,768	-
	PT Payable	3,750	-
	ESIC Payable	11,348	-
	Salaries Payable	10,97,972	5,19,623
	<b>b) Others</b>		
	Statutory Liabilities	30,33,931	29,31,163
	Provision for Expenses	-	2,41,732
	Others - Consultants	1,70,998	-
	<b>Total Short Term Provisions</b>	<b>43,87,767</b>	<b>36,92,517</b>

**NOTE NO. 21 : Revenue from Operations - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>Revenue from operations</b>		
	(a) Sale of Products	-	-
	(b) Sale of Products (Exports)	-	-
	(c) Sale of Products ( Exports Out to Out India)	-	-
	(d) Sale of Services	2,14,47,275	2,09,06,869
	(e) Other Operating Revenues (IROAF Chennai)	-	-
	Less: Excise & Customs Duties	-	-
	<b>Total Revenue from Operations</b>	<b>2,14,47,275</b>	<b>2,09,06,869</b>

**NOTE NO. 22 : Other Income - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Other non-operating income (net of expenses directly attributed to such income)	6,51,724	12,53,960
II	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	-

III	Prior Period Incomes, Provisions Written back, Prior Period Expenses	-	3,65,13,799
IV	Liabilities Written Back - Earlier Years (Bank Liabilities)	-	3,30,79,35,697
	<b>Total Other Income</b>	<b>6,51,724</b>	<b>3,34,57,03,456</b>

**NOTE NO. 23 : Cost of Materials Consumed & Purchase of Stock in Trade - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>a) Material</b>		
	Palm Stearin	-	-
	Mutton Tallow & Others	-	-
	<b>Cost of Material Consumed - Sub Total (A)</b>	-	-
	<b>b) Purchases - Stock in Trade</b>	-	-2,44,42,854
	<b>Cost of Purchase Stock In Trade - Sub Total (B)</b>	-	-2,44,42,854
	<b>c) Chemicals &amp; Consumables</b>	-	1,68,770
	<b>Cost of Chemicals &amp; Consumables - Sub Total (C)</b>	-	1,68,770
	IROAF Contract Expenses	-	-
	<b>IROAF Contract Expenses - Sub Total (D)</b>	-	-
	<b>Total Cost Of Material Consumed (A+B+C+D)</b>	-	-2,42,74,083

**NOTE NO. 24 : Change in inventories & WIP - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>Finished Goods</b>		
	Finished goods at the beginning of the year	-	2,44,42,854
	Less : Finished goods at the end of the year	-	-
	<b>Sub Total (A)</b>	-	2,44,42,854
	<b>Work in Progress</b>		
	Work in progress at the beginning of the year	2,14,10,908	2,14,10,908
	Less: Work in progress at the ending of the year	2,14,10,908	2,14,10,908
	<b>Sub Total (B)</b>	-	-
	<b>Stock-in-Trade</b>		
	Finished goods at the beginning of the year	-	-
	Less : Finished goods at the end of the year	-	-
	<b>Sub Total (C)</b>	-	-
	<b>Total Other Income</b>	-	<b>2,44,42,854</b>

**NOTE NO. 25 : Employee Benefit Expenses - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Salaries & Wages	31,28,770	65,73,898
	(b) Contribution to Provident & Other Funds	86,524	-
	(c) Staff Welfare Expenses	2,07,355	1,25,436
	<b>Total Employee Benefit Expenses</b>	<b>34,22,649</b>	<b>66,99,334</b>

**NOTE NO. 26 : Other Operating Expenses - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Consumption of Stores & Spares	-	-
	(b) Power & Fuel	6,88,703	7,34,751
	(c) Rent	3,78,643	4,37,316
	(d) Repairs to Machinery	2,69,180	1,45,294
	(e) Insurance	1,08,456	1,38,284
	(f) Rates & Taxes (Excluding Income Tax)	2,50,975	18,643
	(g) Bandwidth	91,49,332	1,10,17,417
	(h) Other Mfg Expenses	1,17,621	-
	(i) Loss on Assets (Assets Written Offs)	-	44,92,65,923
	(j) Other Expenses	-	13,25,592
	(k) Impairment on Assets	-	19,03,016
	<b>Total Other Operative Expenses</b>	<b>1,09,62,909</b>	<b>46,49,86,236</b>

**NOTE NO. 27 : Administrative Expenses - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Telephone, Postage and Others	1,15,683	1,69,101
	(b) Business Promotion Expenses	1,24,700	6,179
	(c) Travelling & Conveyance	2,733	89,285
	(d) Repairs and Maintenance	30,333	8,23,778
	(e) Printing & Stationery Expenses	2,808	77,074
	(f) Security Charges	-	12,54,740
	(g) Rent ,Rates & Taxes (excluding Income Tax)	66,059	8,38,706
	(h) Managerial Remuneration / Insurance	2,220	-
	(i) Consultancy Charges	-	7,95,133
	(j) Gen Expenses	19,510	42,94,597
	(k) Payment to Auditors:		
	(i) As Auditor	1,50,000	20,000
	(ii) For Taxation Matters	-	-
	(iii) For Company Law Matters	-	9,96,697
	(l) Advertisements	-	16,43,738
	(m) Collection Expenses	-	19,410
	(n) Commission & Discounts	-	1,08,500
	(o) Accidental / Medical Charges	-	20,783
	(p) Prior Period Expenses	11,266	2,27,17,951
	(q) Liquidation Expenses	-	2,73,08,182
	(r) Written Offs	-3	27,77,91,197
	<b>Total Administrative Expenses</b>	<b>5,25,309</b>	<b>33,89,75,051</b>

**NOTE NO. 28 : Finance Cost - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Interest Expenses :		
	- LC & BG Opening Charges, Bank Charges & others	1,52,717	-
	(b) Other Borrowing costs / Financial Charges	-	10,50,493
	<b>Total Finance Cost</b>	<b>1,52,717</b>	<b>10,50,493</b>

**Note No 1. Summary of Significant Accounting Policies and Notes to Accounts and Other Explanatory information to financial statements for the year ended March 31<sup>st</sup>, 2021**



## **1 . Corporate Information**

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

The Company is one of the first private sector ISPs to commence operations in the state of Andhra Pradesh. However, considering the opportunities in the field of manufacture and supply of alternative fuels to petroleum- based fuels, the promoters have decided to diversify into production and supply of biodiesel. The Company has established 40,000 liters per day capacity Biodiesel production unit from non-edible vegetables oils, fatty acids, animal fats / mutton tallow, etc for partial substitution or using as a blend in fossil diesel. This project is located at Samsthan Narayanpur (v), Nalgonda Dist, Telangana. The Second Bio diesel unit with a capacity of 250 TPD is located at APIIC, SEZ, Visakhapatnam, Andhra Pradesh.

## **2 . Basis of preparation**

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

### ***A .Compliance with Ind AS***

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

### ***Property, Plant and Equipment & Intangible Assets***

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

### ***Employee Benefits- Measurement of Defined Benefit Obligation***

Management assesses post-employment and other employee benefit obligation using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variable that will determine the ultimate cost of providing post-employment and other employee benefits.

## **B .Property, Plant and Equipment**

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

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

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

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

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

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

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

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

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

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

### ***C .Depreciation***

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

### **D .Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The company amortizes computer software using the straight-line method over the period of 4 years.

### **I . Investments**

Investments are classified into current and Long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition is classified as Current Investments. All Other investments are classified as long-term investments.

Long Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current Investments are stated at lower of cost and fair value determined on the basis of each category of investments.

<b>Name of the Party</b>	<b>Relationship</b>
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary

### **II . Inventories**

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

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

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

### **III . Cash and Cash equivalents**

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

### **IV . Share Capital / Share Application Money**

Southern Online Bio Technologies Limited (Company) has been admitted for Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an Order of the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") dated 05<sup>th</sup> October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05<sup>th</sup> October, 2018. Subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14<sup>th</sup> meeting resolved to liquidate the Company. Following which the Hon'ble NCLT, Hyderabad bench on 16<sup>th</sup> July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr. Devaiah Pagidipati as a going

concern which was approved by Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr. Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in favor of Dr. Devaiah Pagidipati on January 02, 2020, the following persons will be allotted shares in the new created share capital of the Company.

Considering the same to implement the order by the Board of Directors in the Dec 12<sup>th</sup>, 2020 meeting held took note and given its approval for the Hon'ble NCLT, Hyderabad bench order dated Nov 26<sup>th</sup>, 2019 which says under clause 2 e (f) that the entire old paid up share capital

**Extinguishment of old paid up equity share capital of Rs. 589932880/- divided in to 58993288 equity shares of Rs. 10/- each of the Company in compliance with the Hon'ble NCLT, Hyderabad bench Order dated 26 November, 2019.**

The Board of Directors in its meeting took note and given its approval for the Hon'ble NCLT, Hyderabad bench Order dated 26 November, 2019 which says under clause 2 (e) (f) that the entire old paid up share capital of Rs. 589932880/- divided in to 58993288 equity shares of Rs. 10/- each of the Company be extinguished and those shareholders will become claimants from the liquidation proceeds u/s. 53 of the IBC Code. In place of the old paid up share capital, the Hon'ble NCLT has ordered to issue and allot new paid up equity share capital of Rs. 450000000/- divided in to 45000000 equity shares of Rs. 10/- each to the acquirer i.e. Dr Devaiah Pagidipati and his associates which shall constitute the 100% of the equity paid up share capital of the Company.

SI No	Name and Address of the Allottee	Regd. Folio No	Share Certificate No	Distinctive No's.	No. of Equity shares of Rs. 10/- each
1	Dr Devaiah Pagidipati H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	01	01	01 to 4,49,94,000	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	02	02	4,49,94,001 to 4,49,95,000	1,000
3	Mr.Brijmohan Venkata Mandala 7-1-35-35/A, Flat No-405, ViswaSwapnika Apartment, ShyamKaram Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	03	03	4,49,95,001 to 4,49,96,000	1,000
4	Mr.Rajasekhar Gopalajosyula	04	04	4,49,96,001 to	1,000

	1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080			4,49,97,000	
5	Mr.Gottipati Venkata Rama Krishna Prasad 1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist-521137 Andhra Pradesh	05	05	4,49,97,001 To 4,49,98,000	1,000
6	Mr.Raghuram Garimella 4-11-31, Himagiri Colony, Road No-3, GandamGuda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091	06	06	4,49,98,001 to 4,49,99,000	1,000
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	07	07	4,49,99,001 to 4,50,00,000	1,000

The Board of Directors approval for the said extinguishment of old capital and allotment of new capital shall be with retrospective effect from the date of the NCLT Order dated November 26, 2019 or with immediate effect as permitted by law.

Company applied to BSE as Corporate Actions, under the Equity Segment dated on Dec 4<sup>th</sup>, 2020 with Record Date as Dec 12<sup>th</sup>, 2020 of the Company for the reduction of Old Reduction of Share Capital of Southern Online Bio Technologies Ltd. (Scrip Code 532669) as per Insolvency & Bankruptcy Code 2016.

**“As per the Order passed by Hon’ble NCLT under provision of Insolvency & Bankruptcy Code 2016 Reduction of Share Capital:**

**Pursuant of the Hon'ble NCLT Order dated November 26, 2019 in IA No. 1038/2019 in CP(IB) No. 343/7/HDB/2018, under clause 2 (e, f), 3, 19, 20, all the existing shares of 5,89,93,288 of Rs. 10/- each of the Company shall be extinguished and such existing shareholders will not be entitled to any shares of the Company and they may approach the then liquidator of the Company for making claims from liquidation proceeds u/s 53 of the Code.”**

**Trading Members are requested to note that the equity shared of the Company are currently suspended from the trading.**

Equity shares are classified as equity, the equity to the tune of Rs. 45.00 Crs.

#### **V . Employee Benefits**

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

Retirement benefits in form of Provident Fund are defined contribution scheme and the contribution are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to respective funds.

Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.

Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement as a result of experience adjustment and changes in actuarial assumptions are recognised in profit or loss.

## **VI . Income Taxes**

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

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

The aggregate amount of Unabsorbed depreciation and loss brought forward in case of the company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

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

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

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

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

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.

## **GST**

Introduction of GSTR 2B in GST filing from the month of July -21, according to CGST rule 36(4), restrict ITC Provisional to 5%, if the GSTR 1 returns were not filed by the Supplier in the due course i.e. on or before 11th of next month, accordingly the Certain Suppliers did not filed the GSTR -1 of the March 21 month return in time, and it was not reflected in GSTR-2B in Mar 21 month, Considering the same Company haven't claimed the ITC for the month of March 21.

## **VII .Provisions , Contingent Liabilities and Contingent Assets**

### ***A .Provisions***

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

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

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

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

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

### ***B .Contingent Liabilities***

Contingent liability is disclosed in case of

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

### ***C .Contingent Assets***

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

## **VIII . Revenue Recognition**

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

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

## **IX .Sale of Goods**

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

## **X .Dividends**

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

## **XI . Foreign Currency Transactions**

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

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



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

## XII . Earnings per Share

Basic earnings per share are calculated by dividing:

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

## XIII . Segmental Reporting

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

### 29 . Secured Loans

The Company's Bio Diesel Divisions has working Capital facilities (inclusive of short term borrowings & LC devolvement's) to the tune of Rs. 0.00Lacs.

### 30 . Investments

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	34,30,970	48,34,245
	<b>Total Non - Current Investments</b>	<b>34,30,970</b>	<b>48,34,245</b>

No other investments were made by the company.

### 31 . Segment Reporting

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

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

The Bio Diesel division manufactures the Bio Diesel.

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

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

- a) The income and expenditure relating to 30 TPD capacity bio diesel unit at Tondiarpet, Chennai.
- b) The income and expenditure relating to Cross country trading of Used Cooking Oil.
- c) The income and expenditure relating to local Stock in Trade of Rice Bran Oil & RBD Palm Oil.

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

**Business Segments:** (Rs. In Lacs)

Statement of Profit and loss for the year ended 31.03.2021	ISP		BIO DIESEL		Others		TOTAL	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Net Sales / Revenue from Operations (Net of GST)	214.47	209.07	-	-	-	-	214.47	209.07
Identifiable Operating Expenses	107.28	125.25	2.35	4,524.62	-	-	109.63	4,649.86
Allocated Expenses	58.93	241.04	1.40	3,769.48	0.62	426.33	60.95	4,436.85
Segmental Operating Income	48.27	-157.22	-3.75	-8,294.10	-0.62	426.33	43.89	-8,877.64
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	48.27	-157.22	-3.75	-8,294.10	-0.62	426.33	43.89	-8,877.64
Finance Cost	1.53	1.18	-	8.62	-	0.70	1.53	10.50
Other income	0.41	-	6.11	-	0.60	-	7.12	-
Net profit before taxes and prior period items	47.15	-158.40	2.36	-8,302.73	-0.02	427.02	49.49	-8,888.15
Provision for taxation	3.54	-	-	7,984.89	-	-	3.54	7,984.89
Prior Period Items	0.41	67.06	6.11	32,797.29	-	592.68	6.52	33,457.03
Net profit after taxes and before exceptional items	44.02	-91.34	8.47	16,509.68	-0.02	165.66	52.47	16,584.00
Profit after tax and exceptional items	<b>44.02</b>	<b>-91.34</b>	<b>8.47</b>	<b>16,509.68</b>	<b>-0.02</b>	<b>165.66</b>	<b>52.47</b>	<b>16,584.00</b>

**Geographical segments**

(Rs. In Lacs)

Revenues	31-Mar-21	31-Mar-20
India	214.47	209.07
Outside India	-	-
<b>Total</b>	<b>214.47</b>	<b>209.07</b>

**32 . Deferred Tax Asset / Liability**

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

During the current year, the company recognized the deferred tax liability of the operational account (ISP Division only) for an amount of Rs. 3,53,600/- and differential depreciation of the current financial year 2020-21.

<b>Deferred Tax Liability</b>	<b>Rs./-</b>
March 31st, 2020 – Opening	2,88,84,956
During the year written Offs	
Net Deferred Tax Liability	2,88,84,956
Closing Balance	3,53,600
Charge to P & L Account Deferred Tax Expenses during the year	<b>2,92,38,556</b>
<b>Deferred Tax Asset</b>	
March 31st, 2020 - Opening	35,72,084
During the year	
Net Deferred Tax Asset	35,72,084
Closing Balance	35,72,084

### 33 . Foreign Exchange Earnings

Particulars.	(Rupees.)	
	31-Mar-21	31-Mar-20
Export of Goods	-	-

### 34 . Foreign Exchange Outflow

Particulars.	(Rupees.)	
	31-Mar-21	31-Mar-20
For Purchases	-	-
For Investment in Subsidiary	-	-
For Subsidiary maintenance	-	-

### 35 . Director's Remuneration

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

Particulars.	(Rupees.)	
	31-Mar-21	31-Mar-20
Salary & Allowances (Whole Time Director)	-	-

### 36 . Remuneration to Auditors

Particulars.	(Rupees.)	
	31-Mar-21	31-Mar-20
Audit Fees	1,50,000/-	1,50,000/-

### 37 . Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st, March, 2021 such parties and transactions are identified as per Accounting Standard 18

The following are the list of related parties:

<b>Name of the Party</b>	<b>Relationship</b>
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
EVaidya Private Limited	Related party – related to director
Sathwik Projects Private Limited	Related party – related to director
Bheem Online Services Limited	Related party – related to director
Inventcorp Technologies Limited	Related party – related to director
Freedom Ehealth Management Private Limited	Related party – related to director
Awlencan Innovations India Limited	Related party – related to director
PB Aero Freedom Services Private Limited	Related party – related to director
NEO Institute Of Medical Services And Technology Limited	Related party – related to director

Southern Online Bio Technologies Limited's principal related parties consist of its own subsidiaries, Associate, Joint Venture and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

Transactions with related parties are as follows:

			<b>Rs. Lakhs</b>
<b>Nature of Transactions</b>	<b>Key Managerial Personnel and their relatives</b>	<b>Enterprise over which the Key Managerial Personnel have significant influence</b>	<b>Total</b>

	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
<b>INCOME</b>						
<b>Received from services and others</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	50.45	-	50.45	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Interest on Trade receivables</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Rent received</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Total</b>	-	-	<b>50.45</b>	-	<b>50.45</b>	-

Rs. Lakhs

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
<b>Sales net of discount/incentives</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Purchases</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	70.00	-	70.00	-
<b>Total</b>	-	-	<b>70.00</b>	-	<b>70.00</b>	-

**Outstanding balances with related parties:**

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
<b>Assets</b>						
<b>Investments / Receivables</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	48.37	48.34	48.37	48.34
(b) Bheem Online Services Limited	-	-	0.02	-	0.02	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	211.38	-	211.38	-
<b>Total</b>	-	-	<b>259.77</b>	<b>48.34</b>	<b>259.77</b>	<b>48.34</b>
<b>Liabilities</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	299.50	99.10	299.50	99.10
<b>Total</b>	-	-	<b>299.50</b>	<b>99.10</b>	<b>299.50</b>	<b>99.10</b>

<b>D) Unsecured Loan from Directors</b>	<b>Mar 31, 2021 (Rs.)</b>	<b>Mar 31, 2020 (Rs.)</b>
Dr Devaiah Pagidipati	8,75,96,844	6,76,40,000
<b>Total</b>	<b>8,75,96,844</b>	<b>6,76,40,000</b>

### 38 .Earning Per Share

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

(Rupees)

Particulars	31-Mar-21	31-Mar-20
Profit available for the equity share holders (Rs)	45,95,141	1,65,82,31,406
No. of shares outstanding for EPS-Basis	4,50,00,000	-
No. of shares outstanding of EPS-Diluted	4,50,00,000	-
Basic	0.10	-
Diluted	0.10	-

39 .Since the said balance sheet is to implement the NCLT order, as per the Confirmation of balances obtained as at March 31, 2020 banks balances, bank borrowings and for various trade receivables, trade payables, though the confirmation and also, the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.

### 40 . Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs.20,00,000/- as on 31.03.2021, in respect of the guarantees given by the banks in favor of The President of India, Government of India, acting through the Telegraph Authority.

S.No	BG No	In-favor	Opening Date	Maturity Date	Amount
1.	8639IFIBG080013	President of India, Dy. Controller of Communications Accounts (L.F) Government of India	Oct7 <sup>th</sup> , 2019	Oct 7 <sup>th</sup> , 2020	10,00,000
2.	8639IPEBG140005	President of India, Dy. Controller of Communications Accounts (L.F) Government of India	Jan 3 <sup>rd</sup> , 2020	Jan 15 <sup>th</sup> , 2021	10,00,000

The said BG's (100% margin of the company) were been invoked by the departments, as the company unable to execution of the renewal of the BG's on account of earlier lender Bank of India declined for the operation of accounts and renewal of existing BG's in time.

### 41. Details of Security:

**No Securities offered**

### 42 . Physical verification for fixed assets:

Physical Verification of the fixed assets aggregating to 5155.40 Lakhs (WDV as on March 31, 2021) and inventory aggregating to 214.10 Lakhs has been carried out under the insolvency process and under new management has been carried out. Management believe that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision is required in respect of such fixed assets and inventories.



**43** .Previous period figures have been regrouped, wherever necessary, for the purpose of comparison.

**44** .The figures have been rounded off to the nearest rupee.

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited**

**K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director &CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place: Hyderabad

Date: June 30, 2021

## INDEPENDENT AUDITOR'S REPORT

### To the Members of SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

#### Report on the Consolidated IND AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated IND AS financial statements of Southern Online Bio Technologies Limited ("the Company"), and its subsidiary (the Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Statement of Consolidated Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated IND AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

The company is in the process of getting trading approval from the Bombay Stock Exchange Limited towards fully paid up shares which are allotted with reference to NCLT order.

Our opinion is not modified in respect of above emphasis of matter.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

#### Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these IND AS

Consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance (including the other comprehensive income), consolidated cash flows and consolidated Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated IND AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated IND AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors of the holding company are also responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated IND AS financial statements.

As part of an audit in accordance with Ind AS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated IND AS financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated IND AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated IND AS Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated IND AS Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated IND AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we further report that:
  - a) We have sought and obtained, all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Consolidated Balance Sheet, Statement of Consolidated Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated IND AS Financial Statements;
  - d) In our opinion, the aforesaid Ind AS Consolidated financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
  - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021, none of the directors of the Group companies are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in ' **Annexure B**'; and
- g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The consolidated IND AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.
  - II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - III. There have been no amounts required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2021.

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**K Gopala Krishna**

Partner

M.No. 203605

Place: Hyderabad

Date: June 30, 2021

**UDIN: 21203605AAAAHC6121**

## **Annexure B to the Independent Auditor's Report**

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

In conjunction with our audit of the Consolidated IND AS Financial Statements of the company as of and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting of M/s. **SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** (the holding company and its subsidiary) as on the date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated IND AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's

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

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company has, in all material respects, has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2021, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **For P C N & Associates.**

Chartered Accountants  
FRN: 016016S

### **K Gopala Krishna**

Partner  
M.No. 203605

Place: Hyderabad  
Date: June 30, 2021

**UDIN: 21203605AAAHC6121**

<b>M/s. Southern Online Bio Technologies Limited</b>			
<b>Consolidated Balance sheet as on 31 March 2021</b>			
<b>(in Rs./-)</b>			
<b>Particulars</b>	<b>Note No</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>I.ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Property, Plant and Equipment	2	51,57,72,784	51,72,64,369
(ii) Capital work-in-progress		4,01,32,537	46,28,076
(b) Financial assets: Investments	3	-	-
(c) Long term loans and advances	4	2,76,45,592	2,14,83,902
(d) Other non-current assets	5	2,55,41,697	2,95,36,888
<b>(2) Current assets</b>			
i) Financial assets:			
(a) Inventories	6	2,14,10,908	2,14,10,908
(b) Trade receivables	7	1,62,39,147	1,69,89,088
(c) Cash and cash equivalents	8	93,90,076	7,53,203
(d) Short-term loans and advances	9	17,79,469	2,83,698
(e) Other current assets	10	46,14,976	25,06,278
<b>Total</b>		<b>66,25,27,187</b>	<b>61,48,56,410</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Equity Share Capital	11	45,00,00,000	-
(b) Other Equity	12	4,90,40,689	4,44,80,349
(c) Non - Controlling Equity		1,030	1,030
<b>(2) Share application money pending for allotment</b>	13	-	45,00,00,000
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	14	9,87,11,844	7,87,55,000
(b) Deferred tax Liabilities / Assets (Net)	15	2,56,66,472	2,53,12,872
(c) Other Long term liabilities	16	16,15,195	2,50,300
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	17	-	-
(b) Trade payables	18	3,20,03,960	1,22,17,434
(c) Other current liabilities	19	11,00,230	-
(d) Short-term provisions	20	43,87,767	38,39,425
<b>Total</b>		<b>66,25,27,187</b>	<b>61,48,56,410</b>
Summary of Significant Accounting Policies the accompanying Notes are an Integral Part of the Financial Statements	1		

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited****K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director &amp;CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place : Hyderabad

Date : June 30, 2021



<b>M/s. Southern Online Bio Technologies Limited</b>			
<b>Consolidated Statement of Profit and Loss for the year ended 31 March, 2021 (in Rs./-)</b>			
<b>Particulars</b>	<b>Note No</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
1. Net Sales / Income from Operations	21	2,14,47,275	2,09,06,869
2. Other Operative Income	22	7,12,127	3,34,57,03,456
<b>3. Revenue from Operations (1+2)</b>		<b>2,21,59,402</b>	<b>3,36,66,10,325</b>
<b>4. Expenses:</b>			
Cost of materials consumed	23	-	1,68,770
Purchase of Stock-in-Trade	23	-	(2,44,42,854)
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	24	-	2,44,42,854
Employee benefit expense	25	34,22,649	66,99,334
Other operating expenses	26	1,09,62,909	46,49,86,236
Administrative Expenses	27	5,87,229	33,89,75,051
Financial costs	28	1,52,717	10,50,467
Depreciation and amortization expense	2	20,85,158	9,80,10,553
<b>4. Total Expenses</b>		<b>1,72,10,661</b>	<b>90,98,90,412</b>
<b>5. Profit / (Loss) before exceptional item and tax (3-4)</b>		<b>49,48,741</b>	<b>2,45,67,19,913</b>
<b>6. Exceptional Items Profit / (Loss) before exceptional item and tax</b>			
a. Provisions towards if any			
<b>7. Profit / (Loss) Before Tax</b>		<b>49,48,741</b>	<b>2,45,67,19,913</b>
<b>8. Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		3,53,600	79,84,88,507
<b>9. Net Profit (+) / Loss (-) for the period (7-8)</b>		<b>45,95,141</b>	<b>1,65,82,31,406</b>
<b>10. Other Comprehensive Income (OCI)</b>			
A (i) Items that will not be reclassified subsequently to profit or loss			
(ii) Income tax on items that will not be reclassified subsequently to profit or loss			
B (i) Items that will be reclassified subsequently to profit or loss			
(ii) Income tax on items that will be reclassified subsequently to profit or loss			
Total Other Comprehensive Income / (Losses)		-	-
<b>11. Total Comprehensive Income for the period (9+10)</b>		<b>45,95,141</b>	<b>1,65,82,31,406</b>
<b>12. Paid-Up Equity Share Capital (Face Value Rs. 10/- each)</b>		45,00,00,000	45,00,00,000
<b>13. Total Reserves</b>		4,90,40,689	4,44,80,349
<b>14. Earnings Per Equity Share - (Face Value Rs.10/- each)</b>			
Basic (Rs.)		0.10	36.85
Diluted (Rs.)		0.10	36.85

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited**

**K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director &CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place : Hyderabad

Date : June 30, 2021

<b>M/s. Southern Online Bio Technologies Limited</b>		
<b>Consolidated Cash Flow Statement For year ended 31 March, 2021</b>		
<b>(in Rs./-)</b>		
<b>Particulars (Year Ended)</b>	<b>31-Mar-21</b>	<b>31-Mar-20</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Loss before tax & extraordinary items	49,48,741	2,45,67,19,913
<b>Adjustments for:</b>		
Depreciation	20,85,158	9,80,10,553
Written off Expense	-	-
Finance Cost	1,52,717	10,50,467
<b>Operating Profit before working capital charges</b>	<b>71,86,616</b>	<b>2,55,57,80,933</b>
Increase in Loans and Advances	(57,70,969)	24,85,11,396
Trade and other receivables	7,49,941	2,65,73,493
Inventories	-	2,44,42,854
Trade payables	2,14,35,099	(11,08,67,598)
<b>Cash generated from operations</b>	<b>2,36,00,688</b>	<b>2,74,44,41,078</b>
Interest paid	1,52,717	10,50,467
<b>Cash flow before extraordinary items - (A)</b>	<b>2,34,47,971</b>	<b>2,74,33,90,611</b>
NET CASH FLOW FROM OPERATING ACTIVITIES		
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Capital Work in Progress.	3,55,04,461	(13,73,032.25)
Interest and exp capitalization	-	-
Purchase of Fixed Assets	5,93,574	(45,42,18,025)
Investments made in subsidiaries	-	-
<b>Net cash used in investing activities - (B)</b>	<b>3,60,98,035</b>	<b>(45,55,91,057)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Creditors for capital goods		
Increase / decrease in Secured Loans	1,99,56,844	(3,59,35,51,260)
Increase / decrease in Long Term liabilities	13,64,891	(5,83,10,271)
Increase / decrease in Equity & Share Capital	-	(13,99,32,910)
Increase / decrease in Inc Capital Reserve	(34,800)	58,99,32,910
<b>Net Cash used in Financing activities - (C)</b>	<b>2,12,86,935</b>	<b>(3,20,18,61,531)</b>
<b>Net increase in cash and cash equivalents - (A-B+C)</b>	<b>86,36,871</b>	<b>(28,79,863)</b>
Cash and Cash equivalents as at (Opening Balance)	7,53,204	36,33,067
Cash and Cash equivalents as at (Closing Balance)	<b>93,90,076</b>	<b>7,53,204</b>

AS PER OUR REPORT OF EVEN DATE

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited****K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director &amp;CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place : Hyderabad

Date : June 30, 2021

## 2. Property, plant and equipment

Particulars	Freehold lands	Leasehold land	Buildings @ 60 Years	Buildings @ 30 Years	Plant and equipment's	Furniture and fixtures	Vehicles	Office equipment's	Computers	Total
<b>Gross carrying value</b>										
<b>As at 1st April, 2020</b>	15,97,009	5,30,52,023	58,47,273	15,09,33,487	77,93,52,685	60,40,466	31,93,107	49,00,642	9,19,61,443	1,09,68,78,135
Additions	-	-	-	-	-	-	-	-	5,93,573	5,93,573
Deletions	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>15,97,009</b>	<b>5,30,52,023</b>	<b>58,47,273</b>	<b>15,09,33,487</b>	<b>77,93,52,685</b>	<b>60,40,466</b>	<b>31,93,107</b>	<b>49,00,642</b>	<b>9,25,55,016</b>	<b>1,09,74,71,708</b>
<b>Accumulated Depreciation</b>										
<b>As at 1st April, 2020</b>	-	-	12,67,322	4,15,42,060	43,17,23,539	58,94,056	25,58,206	49,00,242	9,19,61,143	57,98,46,567
Additions	-	-	30,615	-	19,42,426	-	-	-	1,12,116	20,85,157
Deletions	-	-	-	-	-	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>-</b>	<b>-</b>	<b>12,97,937</b>	<b>4,15,42,060</b>	<b>43,36,65,964</b>	<b>58,94,056</b>	<b>25,58,206</b>	<b>49,00,242</b>	<b>9,20,73,259</b>	<b>58,19,31,724</b>
<b>Net Carrying amount</b>										
<b>As at 1st April, 2020</b>	<b>15,97,009</b>	<b>5,30,52,023</b>	<b>45,79,951</b>	<b>10,93,91,427</b>	<b>34,76,29,147</b>	<b>1,46,410</b>	<b>6,34,901</b>	<b>400</b>	<b>300</b>	<b>51,70,31,568</b>
<b>As at 31st March, 2021</b>	<b>15,97,009</b>	<b>5,30,52,023</b>	<b>45,49,336</b>	<b>10,93,91,427</b>	<b>34,56,86,721</b>	<b>1,46,410</b>	<b>6,34,901</b>	<b>400</b>	<b>4,81,757</b>	<b>51,55,39,984</b>

- (i) Leased Assets  
The lease term in respect of assets acquired under finance leases expires within 19 - 20 years.
- (ii) Assets given as security for borrowings  
NA
- (iii) Impairment  
The Company has assessed recoverable amount of its property, plant and equipment by estimating its value in use. Based on the aforementioned assessment it has been concluded that the recoverable amount is higher than the respective carrying amount.

**Capital work in progress**

Particulars	Amount – Rs./-
<b>Gross carrying value</b>	
As at 1st April, 2020	-
Additions	4,01,32,537
Transfers	-
<b>As at 31st March, 2021</b>	<b>4,01,32,537</b>
<b>Net Carrying amount</b>	
As at 1st April, 2020	-
As at 31st March, 2021	4,01,32,537

Particulars	Amount – Rs./-
<b>As at 1st April, 2019</b>	-
Additions	-
Transfers	-
Ind AS adjustments	-
<b>As at 31st March, 2020</b>	-
<b>Net Carrying amount</b>	
As at 1st April, 2019	-
As at 31st March, 2020	-

**NOTE NO. 3 : Non - Current Investments - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	-	-
	<b>Total Non - Current Investments</b>	-	-

**NOTE NO. 4 : Long Term Loans & Advances - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Long - term loans and advances:		
	a) Security Deposit		
	Secured	63,04,602	15,85,000
	c) Loans and advances to related parties (giving details thereof)		
	Secured	2,11,01,768	1,96,98,493
	Unsecured	-	-
	Doubtful	-	-
	d) Other loans And advances (Employees)		
	Secured	2,39,222	2,00,409
	Unsecured	-	-
	Doubtful	-	-
	<b>Total Long Term Loans &amp; Advances</b>	<b>2,76,45,592</b>	<b>2,14,83,902</b>

**NOTE NO. 5 : Other Non-Current Assets - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Long Term Trade Receivables (Including trade receivables on Deferred Credit Basis)		
a	Secured	2,55,41,697	2,95,36,888
b	Unsecured	-	-
	<b>Total Other Non-Current Assets</b>	<b>2,55,41,697</b>	<b>2,95,36,888</b>

**NOTE NO. 6 : Inventories - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Inventories :		
	a) Raw materials& Others		
	<b>Sub Total</b>	-	-
	b) Finished goods		
	Other Stock	2,14,10,908	2,14,10,908
	<b>Sub Total</b>	<b>2,14,10,908</b>	<b>2,14,10,908</b>
	<b>Total Inventories</b>	<b>2,14,10,908</b>	<b>2,14,10,908</b>

**NOTE NO. 7 : Trade Receivables - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
1	Trade Receivables	-	-
	Secured - Below 6 Months	11,08,209	-
	Un Secured - Above 6 Months	1,92,600	20,50,750
	Other debts	1,49,38,338	1,49,38,338
	<b>Total Trade Receivables (net)</b>	<b>1,62,39,147</b>	<b>1,69,89,088</b>

**NOTE NO. 8 : Cash & Bank Balances - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Cash and cash equivalents :		
	a) Balances with banks - On Current Accounts	93,70,060	7,45,751
	b) Cash on hand	20,016	7,452
	<b>Total Cash and Cash Equivalents</b>	<b>93,90,076</b>	<b>7,53,203</b>

**NOTE NO. 9 : Short Term Loans & Advances - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Short - Term Loans and Advances		
	a) Loans and Advances to Related Parties		
	Secured	14,44,459	1,21,304
	Unsecured	-	-
	Inter Divisions	(2)	(0)
	b) Other Loans and Advances		
	Secured - Raw Materials etc,	-	-
	Secured - Other Advances	3,35,012	1,62,394
	Insurance Claim / Others	-	-
	<b>Total Short Term Loans &amp; Advances</b>	<b>17,79,469</b>	<b>2,83,698</b>

**NOTE NO. 10 : Other Current Assets - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Unamortised Premium on forward contracts		
	VAT Input/TDS Receivable/GST Input	46,14,976	25,06,278
	<b>Total Other Current Assets</b>	<b>46,14,976</b>	<b>25,06,278</b>

**NOTE NO. 11 : EQUITY SHARE CAPITAL**

S. No.	Particulars	As at 31.03.2021		As at 31.03.2020	
		No. of Shares	(Rupees)	No. of Shares	(Rupees)
a	Equity Share Capital ( For each class of capital )				
	(a) Authorised	7,50,00,000	75,00,00,000	7,50,00,000	75,00,00,000
	(b) Issued	4,50,00,000	45,00,00,000	-	-
	(c) Subscribed & Fully Paid Up	4,50,00,000	45,00,00,000		-
	(d) Subscribed & not fully paid up	-			
	(e) Par value per share Rs. 10	10			
	<b>Total Equity Share capital</b>		45,00,00,000		-
b	<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>	Number of Shares		Number of Shares	
	<b>Equity Shares of Rs.10 Each, Fully paid up :</b>				
	At the Beginning		-		-
	Issued during the year - Bonus Issue		-		-
	Issued during the year - Cash Issue		-		-
	Issued during the year - ESOP		-		-
	Issued during the year *(Refer Note)		4,50,00,000		-
	Forfeited / Bought Back during the year		-		-
	At the end		4,50,00,000		-
c	<b>Details of Shareholder holding more than 5% shares of the company:</b>	% of Share Holding		% of Share Holding	
	<b>Equity Shares of Rs. 10 each Held By</b>				
	(a) Share Holder - Dr. Devaiah Pagidipati - No. of Shares (C.Y) 4,49,94,000, No. of Shares (P.Y) 0	4,49,94,000	99.9867%		

\*Note: Southern Online Bio Technologies Limited (Company) has been admitted for Corporate Insolvency Resolution Process (“CIRP”) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an Order of the Honorable National Company Law Tribunal, Hyderabad Bench (“NCLT”) dated 05th October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05th October, 2018. Subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14th meeting resolved to liquidate the Company. Following which the Hon’ble NCLT, Hyderabad bench on 16th July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr Devaiah Pagidipati as a going concern which was approved by Hon’ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in favour of Dr Devaiah Pagidipati on January 02, 2020, the following persons will be allotted shares in the new created share capital of the Company. The earlier shareholders will be written off in full and shall stand permanently extinguished and due to the same earlier Equity Shares existing as on March 31st, 2020 transferred to Capital Redemption Reserve account. Since the allotment towards New Share Holders pending in BSE & ROC, the same has been treated as share application Money for the Year 2019-20. During the current year FY 2020-21, Equity shares are classified as equity, the equity to the tune of Rs. 45.00 Crs.

SI No	Name and Address of the Allottee	Regd. Folio No	Share Certificate No	Distinctive No’s.	No. of Equity shares of Rs. 10/- each
1	Dr Devaiah Pagidipati H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	01	01	01 to 4,49,94,000	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	02	02	4,49,94,001 to 4,49,95,000	1,000
3	Mr.BrijmohanVenkata Mandala 7-1-35-35/A, Flat No-405, ViswaSwapnika Apartment, ShyamKaram Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	03	03	4,49,95,001 to 4,49,96,000	1,000



4	Mr.RajasekharGopalajosyula 1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080	04	04	4,49,96,001 to 4,49,97,000	1,000
5	Mr.Gottipati Venkata Rama Krishna Prasad 1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist- 521137 Andhra Pradesh	05	05	4,49,97,001 To 4,49,98,000	1,000
6	Mr.Raghuram Garimella 4-11-31, Himagiri Colony, Road No-3, GandamGuda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091	06	06	4,49,98,001 to 4,49,99,000	1,000
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	07	07	4,49,99,001 to 4,50,00,000	1,000

**NOTE NO. 12 : Other Equity (Reserves and Surplus) - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Other Equity		
	a) Capital reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	-	-
	Less: Utilised for during the year	-	-
	<b>Total</b>	-	-
	b) Capital Redemption reserve		
	As at the commencement of the year	-	-
	Add: Additions during the year	-	87,62,83,410
	Less: Transferred to Surplus	-	87,62,83,410
	<b>Total</b>	-	-
	c) Securities Premium Reserve		
	As at the commencement of the year	-	25,31,87,500
	Add: Additions during the year	-	-
	Less: Transferred to Capital Redemption Reserve	-	25,31,87,500
	<b>Total</b>	-	-
		-	-
	d) Surplus :		
	i) Opening Balance - Profit and Loss Account	4,09,82,572	(2,49,35,32,244)
	Less: Transfer from Capital Redemption Reserve	-	87,62,83,410
	Add: Transfer from Profit & Loss Account	45,95,141	1,65,82,31,406
		4,55,77,713	4,09,82,572
	e) Share warrants forfeited premium :		
	As at the commencement of the year	-	3,31,63,000
	Add: Additions during the year	-	-
	Less: Transferred to Capital Redemption Reserve	-	3,31,63,000
		-	-
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	<b>Total Other Equity</b>	4,90,75,490	4,44,80,349

**NOTE NO. 13 : Share Application Money Pending Allotment - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Share Application Money	-	-
	Add : Received	-	45,00,00,000
	<b>Total Share Application Money</b>	-	45,00,00,000
	Less : Share Application money equity shares allotted	-	-
	<b>Total Share Application Money Pending Allotment</b>	-	45,00,00,000

**NOTE NO. 14 : Long Term Borrowings - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Long Term borrowings		
	<b>a) Secured Term Loans from Banks:</b>		
	From banks:		
	Secured		
	<b>TERM LOANS :</b>		
	Bank's	-	-
	<b>b) Unsecured Loans from Directors / Others:</b>		
	Unsecured Loan - Dr. Pagidipati Devaiah	8,75,96,844	6,76,40,000
	Others	1,11,15,000	1,11,15,000
	<b>Total Long Term Borrowings</b>	<b>9,87,11,844</b>	<b>7,87,55,000</b>

**NOTE NO. 15 : Deferred Tax Asset / (Liability) - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Opening Deferred tax Liability	2,88,84,956	2,88,84,956
	Add:	-	-
	Reversal of Deferred Tax asset/(Liability)	-	-
	DTL During the year	3,53,600	-35,72,084
	<b>Gross Deferred tax Liability</b>	<b>2,92,38,556</b>	<b>2,53,12,872</b>
	Opening Deferred tax Asset	35,72,084	80,20,60,591
	DTA During the Year	-	80,20,60,591
	<b>Gross Deferred tax Asset</b>	<b>35,72,084</b>	-
	<b>Deferred Tax Asset / (Liability)</b>	<b>(2,56,66,472)</b>	<b>(2,53,12,872)</b>

**NOTE NO. 16 : Other Long Term Borrowings - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	a) Other long term liabilities		
	- Other Liabilities	16,15,195	1,50,000
	- Capex payable	-	1,00,300
	<b>Total Other Long Term Borrowings</b>	<b>16,15,195</b>	<b>2,50,300</b>

**NOTE NO. 17 : Short Term Borrowings - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Short term borrowings	-	-
	<b>Total Short Term Borrowings</b>	<b>-</b>	<b>-</b>

**NOTE NO. 18 : Trade Payables - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	a) Trade Payables	20,54,368	1,22,17,434
	b) Trade Payables - RPT	2,99,49,592	-
	<b>Total Trade Payables</b>	<b>3,20,03,960</b>	<b>1,22,17,434</b>

**NOTE NO. 19 : Other Current Liabilities - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	GST	1,23,312	
II	TDS & Others	9,76,918	-
	<b>Total Other Current Liabilities</b>	<b>11,00,230</b>	-

**NOTE NO. 20 : Short Term Provisions - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>a) Provision for Employee Benefit</b>		
	PF Payable	69,768	-
	PT Payable	3,750	
	ESIC Payable	11,348	-
	Salaries Payable	10,97,972	5,19,623
	<b>b) Others</b>		
	Statutory Liabilities	30,33,931	29,31,163
	Provision for Expenses	-	3,88,639
	Others - Consultants	1,70,998	
	<b>Total Short Term Provisions</b>	<b>43,87,767</b>	<b>38,39,425</b>

**NOTE NO. 21 : Revenue from Operations - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>Revenue from operations</b>		
	(a) Sale of Products	-	-
	(b) Sale of Products (Exports)	-	-
	(c) Sale of Products ( Exports Out to Out India)	-	-
	(d) Sale of Services	2,14,47,275	2,09,06,869
	(e) Other Operating Revenues (IROAF Chennai)	-	-
	Less: Excise & Customs Duties	-	-
	<b>Total Revenue from Operations</b>	<b>2,14,47,275</b>	<b>2,09,06,869</b>

**NOTE NO. 22 : Other Income - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Other non-operating income (net of expenses directly attributed to such income)	6,51,724	12,53,960
II	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	-
III	Prior Period Incomes, Provisions Written back, Prior Period Expenses	60,403	3,65,13,799
IV	Liabilities Written Back - Earlier Years (Bank Liabilities)	-	3,30,79,35,697
	<b>Total Other Income</b>	<b>7,12,127</b>	<b>3,34,57,03,456</b>

**NOTE NO. 23 : Cost of Materials Consumed & Purchase of Stock in Trade - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>a) Material</b>		
	Palm Stearin	-	-
	Mutton Tallow & Others	-	-
	<b>Cost of Material Consumed - Sub Total (A)</b>	-	-
	<b>b) Purchases - Stock in Trade</b>	-	-2,44,42,854
	<b>Cost of Purchase Stock In Trade - Sub Total (B)</b>	-	-2,44,42,854
	<b>c) Chemicals &amp; Consumables</b>	-	1,68,770
	<b>Cost of Chemicals &amp; Consumables - Sub Total (C)</b>	-	1,68,770
	IROAF Contract Expenses	-	-
	<b>IROAF Contract Expenses - Sub Total (D)</b>	-	-
	<b>Total Cost Of Material Consumed (A+B+C+D)</b>	-	-2,42,74,083

**NOTE NO. 24 : Change in inventories & WIP - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	<b>Finished Goods</b>		
	Finished goods at the beginning of the year	-	2,44,42,854
	Less : Finished goods at the end of the year	-	-
	<b>Sub Total (A)</b>	-	2,44,42,854
	<b>Work in Progress</b>		
	Work in progress at the beginning of the year	2,14,10,908	2,14,10,908
	Less: Work in progress at the ending of the year	2,14,10,908	2,14,10,908
	<b>Sub Total (B)</b>	-	-
	<b>Stock-in-Trade</b>		
	Finished goods at the beginning of the year	-	-
	Less : Finished goods at the end of the year	-	-
	<b>Sub Total (C)</b>	-	-
	<b>Total Change in inventories &amp; WIP</b>	-	<b>2,44,42,854</b>

**NOTE NO. 25 : Employee Benefit Expenses - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Salaries & Wages	31,28,770	65,73,898
	(b) Contribution to Provident & Other Funds	86,524	-
	(c) Staff Welfare Expenses	2,07,355	1,25,436
	<b>Total Employee Benefit Expenses</b>	<b>34,22,649</b>	<b>66,99,334</b>

**NOTE NO. 26 : Other Operating Expenses - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Consumption of Stores & Spares	-	-
	(b) Power & Fuel	6,88,703	7,34,751
	(c) Rent	3,78,643	4,37,316
	(d) Repairs to Machinery	2,69,180	1,45,294
	(e) Insurance	1,08,456	1,38,284
	(f) Rates & Taxes (Excluding Income Tax)	2,50,975	18,643
	(g) Bandwidth	91,49,332	1,10,17,417
	(h) Other Mfg Expenses	1,17,621	-
	(i) Loss on Assets (Assets Written Offs)	-	44,92,65,923
	(j) Other Expenses	-	13,25,592
	(k) Impairment on Assets	-	19,03,016
	<b>Total Other Operative Expenses</b>	<b>1,09,62,909</b>	<b>46,49,86,236</b>

**NOTE NO. 27 : Administrative Expenses - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Telephone, Postage and Others	1,15,683	1,69,101
	(b) Business Promotion Expenses	1,24,700	6,179
	(c) Travelling & Conveyance	2,733	89,285
	(d) Repairs and Maintenance	30,333	8,23,778
	(e) Printing & Stationery Expenses	2,808	77,074
	(f) Security Charges	-	12,54,740
	(g) Rent ,Rates & Taxes (excluding Income Tax)	1,27,959	8,38,706
	(h) Managerial Remuneration / Insurance	2,220	-
	(i) Consultancy Charges	-	7,95,133
	(j) Gen Expenses	19,530	42,94,597
	(k) Payment to Auditors:		
	(i) As Auditor	1,50,000	20,000
	(ii) For Taxation Matters	-	-
	(iii) For Company Law Matters	-	9,96,697
	(l) Advertisements	-	16,43,738
	(m) Collection Expenses	-	19,410
	(n) Commission & Discounts	-	1,08,500

(o) Accidental / Medical Charges	-	20,783
(p) Prior Period Expenses	11,266	2,27,17,951
(q) Liquidation Expenses	-	2,73,08,182
(r) Written Offs	-3	27,77,91,197
<b>Total Administrative Expenses</b>	<b>5,87,229</b>	<b>33,89,75,051</b>

**NOTE NO. 28 : Finance Cost - (Rs./-)**

S. No.	Particulars	31-Mar-21	31-Mar-20
I	(a) Interest Expenses :		
	- LC & BG Opening Charges, Bank Charges & others	1,52,717	-
	(b) Other Borrowing costs / Financial Charges	-	10,50,467
	<b>Total Finance Cost</b>	<b>1,52,717</b>	<b>10,50,467</b>

**Note No 1. Summary of Significant Accounting Policies and Notes to Accounts and Other Explanatory information to financial statements for the year ended March 31<sup>st</sup>, 2021**

**1 . Corporate Information**

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

The Company is one of the first private sector ISPs to commence operations in the state of Andhra Pradesh. However, considering the opportunities in the field of manufacture and supply of alternative fuels to petroleum- based fuels, the promoters have decided to diversify into production and supply of biodiesel. The Company has established 40,000 liters per day capacity Biodiesel production unit from non-edible vegetables oils, fatty acids, animal fats / mutton tallow, etc for partial substitution or using as a blend in fossil diesel. This project is located at Samsthan Narayanpur (v), Nalgonda Dist, Telangana. The Second Bio diesel unit with a capacity of 250 TPD is located at APIIC, SEZ, Visakhapatnam, Andhra Pradesh.

**2 . Basis of preparation**

The Consolidated financial statements included the financial statements of M/s. Southern Online Bio Technologies Limited ("SBTL" or the "parent Company"), Southern Biofe Biofuels Private Limited, India (Referred as "the Company") in which the parent Company has more than one-half of the voting power of an enterprise.

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

- (i) The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealized profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the

balance sheet of the parent company and its share in post-acquisition increase in the relevant reserve of the subsidiaries.

- (ii) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- (iii) The consolidated financial statements are prepared using uniform accounting policies for like transaction and other events in similar circumstances

#### ***A .Compliance with Ind AS***

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

#### ***Property, Plant and Equipment & Intangible Assets***

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

#### ***Employee Benefits- Measurement of Defined Benefit Obligation***

Management assesses post-employment and other employee benefit obligation using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variable that will determine the ultimate cost of providing post-employment and other employee benefits.

#### ***B .Property, Plant and Equipment***

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

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

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



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

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

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

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

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

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

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

### **C .Depreciation**

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

### **D .Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The company amortizes computer software using the straight-line method over the period of 4 years.

#### **I . Investments**

Investments are classified into current and Long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition is classified as Current Investments. All Other investments are classified as long-term investments.

Long Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current Investments are stated at lower of cost and fair value determined on the basis of each category of investments.

<b>Name of the Party</b>	<b>Relationship</b>
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary

#### **II . Inventories**

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

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

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

### **III . Cash and Cash equivalents**

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

### **IV . Share Capital / Share Application Money**

Southern Online Bio Technologies Limited (Company) has been admitted for Corporate Insolvency Resolution Process (“CIRP”) as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an Order of the Honorable National Company Law Tribunal, Hyderabad Bench (“NCLT”) dated 05<sup>th</sup> October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05<sup>th</sup> October, 2018. Subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14<sup>th</sup> meeting resolved to liquidate the Company. Following which the Hon’ble NCLT, Hyderabad bench on 16<sup>th</sup> July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr. Devaiah Pagidipati as a going concern which was approved by Hon’ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr. Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in favor of Dr. Devaiah Pagidipati on January 02, 2020, the following persons will be allotted shares in the new created share capital of the Company.

Considering the same to implement the order by the Board of Directors in the Dec 12<sup>th</sup>, 2020 meeting held took note and given its approval for the Hon’ble NCLT, Hyderabad bench order dated Nov 26<sup>th</sup>, 2019 which says under clause 2 e (f) that the entire old paid up share capital

**Extinguishment of old paid up equity share capital of Rs. 589932880/- divided in to 58993288 equity shares of Rs. 10/- each of the Company in compliance with the Hon’ble NCLT, Hyderabad bench Order dated 26 November, 2019.**

The Board of Directors in its meeting took note and given its approval for the Hon'ble NCLT, Hyderabad bench Order dated 26 November, 2019 which says under clause 2 (e) (f) that the entire old paid up share capital of Rs. 589932880/- divided in to 58993288 equity shares of Rs. 10/- each of the Company be extinguished and those shareholders will become claimants from the liquidation proceeds u/s. 53 of the IBC Code. In place of the old paid up share capital, the Hon'ble NCLT has ordered to issue and allot new paid up equity share capital of Rs. 450000000/- divided in to 45000000 equity shares of Rs. 10/- each to the acquirer i.e. Dr Devaiah Pagidipati and his associates which shall constitute the 100% of the equity paid up share capital of the Company.

Sl No	Name and Address of the Allottee	Regd. Folio No	Share Certificate No	Distinctive No's.	No. of Equity shares of Rs. 10/- each
1	Dr Devaiah Pagidipati H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	01	01	01 to 4,49,94,000	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	02	02	4,49,94,001 to 4,49,95,000	1,000
3	Mr.Brijmohan Venkata Mandala 7-1-35-35/A, Flat No-405, ViswaSwapnika Apartment, ShyamKaram Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	03	03	4,49,95,001 to 4,49,96,000	1,000
4	Mr.Rajasekhar Gopalajosyula 1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080	04	04	4,49,96,001 to 4,49,97,000	1,000
5	Mr.Gottipati Venkata Rama Krishna Prasad 1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist-521137 Andhra Pradesh	05	05	4,49,97,001 To 4,49,98,000	1,000
6	Mr.Raghuram Garimella 4-11-31, Himagiri Colony, Road No-3, GandamGuda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091	06	06	4,49,98,001 to 4,49,99,000	1,000
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	07	07	4,49,99,001 to 4,50,00,000	1,000

The Board of Directors approval for the said extinguishment of old capital and allotment of new capital shall be with retrospective effect from the date of the NCLT Order dated November 26, 2019 or with immediate effect as permitted by law.

Company applied to BSE as Corporate Actions, under the Equity Segment dated on Dec 4<sup>th</sup>, 2020 with Record Date as Dec 12<sup>th</sup>, 2020 of the Company for the reduction of Old Reduction of Share Capital of Southern Online Bio Technologies Ltd. (Scrip Code 532669) as per Insolvency & Bankruptcy Code 2016.

**“As per the Order passed by Hon’ble NCLT under provision of Insolvency & Bankruptcy Code 2016 Reduction of Share Capital:**

**Pursuant of the Hon'ble NCLT Order dated November 26, 2019 in IA No. 1038/2019 in CP(IB) No. 343/7/HDB/2018, under clause 2 (e, f), 3, 19, 20, all the existing shares of 5,89,93,288 of Rs. 10/- each of the Company shall be extinguished and such existing shareholders will not be entitled to any shares of the Company and they may approach the then liquidator of the Company for making claims from liquidation proceeds u/s 53 of the Code.”**

**Trading Members are requested to note that the equity shared of the Company are currently suspended from the trading.**

Equity shares are classified as equity, the equity to the tune of Rs. 45.00 Crs.

#### **V . Employee Benefits**

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

Retirement benefits in form of Provident Fund are defined contribution scheme and the contribution are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to respective funds.

Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.

Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement as a result of experience adjustment and changes in actuarial assumptions are recognised in profit or loss.

#### **VI . Income Taxes**

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

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

The aggregate amount of Unabsorbed depreciation and loss brought forward in case of the company against whom an application for corporate insolvency resolution process has been admitted by the Adjudicating Authority under section 7 or section 9 or section 10 of the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

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

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

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

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

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.

## **GST**

Introduction of GSTR 2B in GST filing from the month of July -21, according to CGST rule 36(4), restrict ITC Provisional to 5%, if the GSTR 1 returns were not filed by the Supplier in the due course i.e. on or before 11th of next month, accordingly the Certain Suppliers did not filed the GSTR -1 of the March 21 month return in time, and it was not reflected in GSTR-2B in Mar 21 month, Considering the same Company haven't claimed the ITC for the month of March 21.

## **VII .Provisions , Contingent Liabilities and Contingent Assets**

### ***A .Provisions***

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

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

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

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

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

### ***B .Contingent Liabilities***

Contingent liability is disclosed in case of

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

### ***C .Contingent Assets***

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

## **VIII . Revenue Recognition**

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

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

#### **IX .Sale of Goods**

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

#### **X .Dividends**

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

#### **XI . Foreign Currency Transactions**

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

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

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

#### **XII . Earnings per Share**

Basic earnings per share are calculated by dividing:

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

#### **XIII . Segmental Reporting**

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

#### **29 . Secured Loans**

The Company's Bio Diesel Divisions has working Capital facilities (inclusive of short term borrowings & LC devolvement's) to the tune of Rs. 0.00Lacs.

### 30 . Investments

S. No.	Particulars	31-Mar-21	31-Mar-20
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	34,30,970	48,34,245
	<b>Total Non - Current Investments</b>	<b>34,30,970</b>	<b>48,34,245</b>

No other investments were made by the company.

### 31 . Segment Reporting

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

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

The Bio Diesel division manufactures the Bio Diesel.

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

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

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

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



**Business Segments:** (Rs. In Lacs)

Statement of Profit and loss for the year ended 31.03.2021	ISP		BIO DIESEL		Others		TOTAL	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Net Sales / Revenue from Operations (Net of GST)	214.47	209.07	-	-	-	-	214.47	209.07
Identifiable Operating Expenses	107.28	125.25	2.35	4,524.62	-	-	109.63	4,649.86
Allocated Expenses	58.93	241.04	1.40	3,769.48	0.62	426.33	60.95	4,436.85
Segmental Operating Income	48.27	-157.22	-3.75	-8,294.10	-0.62	426.33	43.89	-8,877.64
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	48.27	-157.22	-3.75	-8,294.10	-0.62	426.33	43.89	-8,877.64
Finance Cost	1.53	1.18	-	8.62	-	0.70	1.53	10.50
Other income	0.41		6.11		0.60		7.12	-
Net profit before taxes and prior period items	47.15	-158.40	2.36	-8,302.73	-0.02	427.02	49.49	-8,888.15
Provision for taxation	3.54	-	-	7,984.89	-	-	3.54	7,984.89
Prior Period Items	0.41	67.06	6.11	32,797.29	-	592.68	6.52	33,457.03
Net profit after taxes and before exceptional items	44.02	-91.34	8.47	16,509.68	-0.02	165.66	52.47	16,584.00
Profit after tax and exceptional items	<b>44.02</b>	<b>-91.34</b>	<b>8.47</b>	<b>16,509.68</b>	<b>-0.02</b>	<b>165.66</b>	<b>52.47</b>	<b>16,584.00</b>

**Geographical segments**

(Rs. In Lacs)

Revenues	31-Mar-21	31-Mar-20
India	214.47	209.07
Outside India	-	-
<b>Total</b>	<b>214.47</b>	<b>209.07</b>

**32 . Deferred Tax Asset / Liability**

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

During the current year, the company recognized the deferred tax liability of the operational account (ISP Division only) for an amount of Rs. 3,53,600/- and differential depreciation of the current financial year 2020-21.

<b>Deferred Tax Liability</b>	<b>Rs./-</b>
March 31st, 2020 - Opening	2,88,84,956
During the year written Offs	
Net Deferred Tax Liability	2,88,84,956
Closing Balance	3,53,600
Charge to P & L Account Deferred Tax Expenses during the year	<b>2,92,38,556</b>
<b>Deferred Tax Asset</b>	
March 31st, 2020 - Opening	35,72,084
During the year	
Net Deferred Tax Asset	35,72,084
Closing Balance	35,72,084

### 33 . Foreign Exchange Earnings

(Rupees.)

<b>Particulars.</b>	<b>As at 31.03.2021</b>	<b>As at31.3.2020</b>
Export of Goods	-	-

### 34 . Foreign Exchange Outflow

(Rupees.)

<b>Particulars.</b>	<b>As at 31.03.2021</b>	<b>As at31.3.2020</b>
For Purchases	-	-
For Investment in Subsidiary	-	-
For Subsidiary maintenance	-	-

### 35 . Director's Remuneration

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

(Rupees.)

<b>Particulars.</b>	<b>As at 31.03.2021</b>	<b>As at31.3.2020</b>
Salary & Allowances (Whole Time Director)	-	-

### 36 . Remuneration to Auditors

(Rupees.)

<b>Particulars.</b>	<b>As at 31.03.2021</b>	<b>As at31.3.2020</b>
Audit Fees	1,50,000/-	1,50,000/-

### 37 . Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st, March, 2021 such parties and transactions are identified as per Accounting Standard 18

The following are the list of related parties:

<b>Name of the Party</b>	<b>Relationship</b>
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
EVaidya Private Limited	Related party – related to director
Sathwik Projects Private Limited	Related party – related to director

Bheem Online Services Limited	Related party – related to director
Inventcorp Technologies Limited	Related party – related to director
Freedom Ehealth Management Private Limited	Related party – related to director
Awlencan Innovations India Limited	Related party – related to director
PB Aero Freedom Services Private Limited	Related party – related to director
NEO Institute Of Medical Services And Technology Limited	Related party – related to director

Southern Online Bio Technologies Limited’s principal related parties consist of its own subsidiaries, Associate, Joint Venture and key managerial personnel. The Group's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

Transactions with related parties are as follows:

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
	Rs. Lakhs					
<b>INCOME</b>						
<b>Received from services and others</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	50.45	-	50.45	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Interest on Trade receivables</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Rent received</b>						

Southern Online Bio Technologies Limited

(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Total</b>	-	-	<b>50.45</b>	-	<b>50.45</b>	-

Rs. Lakhs

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
<b>Sales net of discount/incentives</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	-	-	-	-
<b>Purchases</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	70.00	-	70.00	-
<b>Total</b>	-	-	<b>70.00</b>	-	<b>70.00</b>	-

## Outstanding balances with related parties:

Rs. Lakhs

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020	Mar 31, 2021	Mar 31, 2020
<b>Assets</b>						
<b>Investments / Receivables</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	48.37	48.34	48.37	48.34
(b) Bheem Online Services Limited	-	-	0.02	-	0.02	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	211.38	-	211.38	-
<b>Total</b>	-	-	<b>259.77</b>	<b>48.34</b>	<b>259.77</b>	<b>48.34</b>
<b>Liabilities</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	-	-	-	-
(d) Inventcorp Technologies Limited	-	-	-	-	-	-
(e) Freedom Ehealth Management Private Limited	-	-	-	-	-	-
(f) Awlencan Innovations India Limited	-	-	-	-	-	-
(g) PB Aero Freedom Services Private Limited	-	-	-	-	-	-
(h) NEO Institute Of Medical Services And Technology Limited	-	-	-	-	-	-
(i) Sathwik Projects Private Limited	-	-	299.50	99.10	299.50	99.10
<b>Total</b>	-	-	<b>299.50</b>	<b>99.10</b>	<b>299.50</b>	<b>99.10</b>

D) Unsecured Loan from Directors	Mar 31, 2021 (Rs.)	Mar 31, 2020 (Rs.)
Dr Devaiah Pagidipati	8,75,96,844	6,76,40,000
<b>Total</b>	<b>8,75,96,844</b>	<b>6,76,40,000</b>

### 38 .Earning Per Share

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

Particulars	(Rupees)	
	31-Mar-21	31-Mar-20
Profit available for the equity share holders (Rs)	45,95,141	1,65,82,31,406
No. of shares outstanding for EPS-Basis	4,50,00,000	-
No. of shares outstanding of EPS-Diluted	4,50,00,000	-
Basic	0.10	-
Diluted	0.10	-

39 .Since the said balance sheet is to implement the NCLT order, as per the Confirmation of balances obtained as at March 31, 2020 banks balances, bank borrowings and for various trade receivables, trade payables, though the confirmation and also, the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.

### 40 . Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs.20,00,000/- as on 31.03.2021, in respect of the guarantees given by the banks in favor of The President of India, Government of India, acting through the Telegraph Authority.

S.No	BG No	In-favor	Opening Date	Maturity Date	Amount
1.	8639IFIBG080013	President of India, Dy. Controller of Communications Accounts (L.F) Government of India	Oct7 <sup>th</sup> , 2019	Oct 7 <sup>th</sup> , 2020	10,00,000
2.	8639IPEBG140005	President of India, Dy. Controller of Communications Accounts (L.F) Government of India	Jan 3 <sup>rd</sup> , 2020	Jan 15 <sup>th</sup> , 2021	10,00,000

The said BG's were been invoked by the departments, as the company unable to execution of the renewal of the BG's on account of earlier lender Bank of India declined for the operation of accounts and renewal of existing BG's in time.

### 41. Details of Security:

No Securities offered

### 42 . Physical verification for fixed assets:

Physical Verification of the fixed assets aggregating to 5155.40 Lakhs (WDV as on March 31, 2021) and inventory aggregating to 214.10 Lakhs has been carried out under the insolvency process and under new management has been carried out. Management believe that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision is required in respect of such fixed assets and inventories.

**43** .Previous period figures have been regrouped, wherever necessary, for the purpose of comparison.

**44** .The figures have been rounded off to the nearest rupee.

**For P C N & Associates.**

Chartered Accountants

FRN: 016016S

**For Southern Online Bio Technologies Limited**

**K Gopala Krishna**

Partner

Membership No: 203605

**Dr. Pagidipati Devaiah**

Director &CEO

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Kolli Srikanth Reddy**

Company Secretary

Place: Hyderabad

Date: June 30, 2021

**SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED**

(CIN: L72900TG1998PLC030463)

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

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

**Form MGT-11 Proxy form**

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

Regd. Folio No :	DPID : NA
No of Shares Held :	Client ID : NA

I, \_\_\_\_\_ being the member of Southern Online Bio Technologies Limited holding \_\_\_\_\_ equity shares of the above named company, hereby appoint

Name & Address:

Email ID:

Signature: \_\_\_\_\_

and whose signatures are appended below as my proxy to attend and vote, in case of a poll, for me and on my behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Saturday, the September 25, 2021 at 10.30 AM at Anion Conference Hall, 8<sup>th</sup> Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038 and at any adjournment thereof in respect of resolutions are indicated below:

Sl. No	Resolution (s)	Vote	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2021 including Audited Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon. (Ordinary Resolution)		
2	To appoint a director in place of Mr Brijmohan Venkata Mandala (DIN: 00295323), who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)		
3	To appoint M/s. Darapaneni & Co., Chartered Accountants, Hyderabad (F.R.N. 000685S) as Statutory Auditors for a period of five years from FY 2021-22.		
<b>Special Business</b>			
4	Approval of Related Party Transactions for a period of three years (Ordinary Resolution)		

\*Applicable for investors holding shares in Electronic form.

Signed this \_\_\_\_\_ day of September, 2021

Affix Revenue Stamp
---------------------------

Signature of shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

**Note:**

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



**SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED**

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3<sup>rd</sup> Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500004

Email: [cs@sol.net.in](mailto:cs@sol.net.in), website: [www.sol.net.in](http://www.sol.net.in)

**ATTENDANCE SLIP**

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

Full name of the member attending \_\_\_\_\_

Member's Folio No/ Client ID: \_\_\_\_\_

No. of shares held: \_\_\_\_\_

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

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting of the Southern Online Bio Technologies Ltd., to be held on Saturday, the September 25, 2021 at 10.30 AM at Anion Conference Hall, 8<sup>th</sup> Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038

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

**Note:**

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

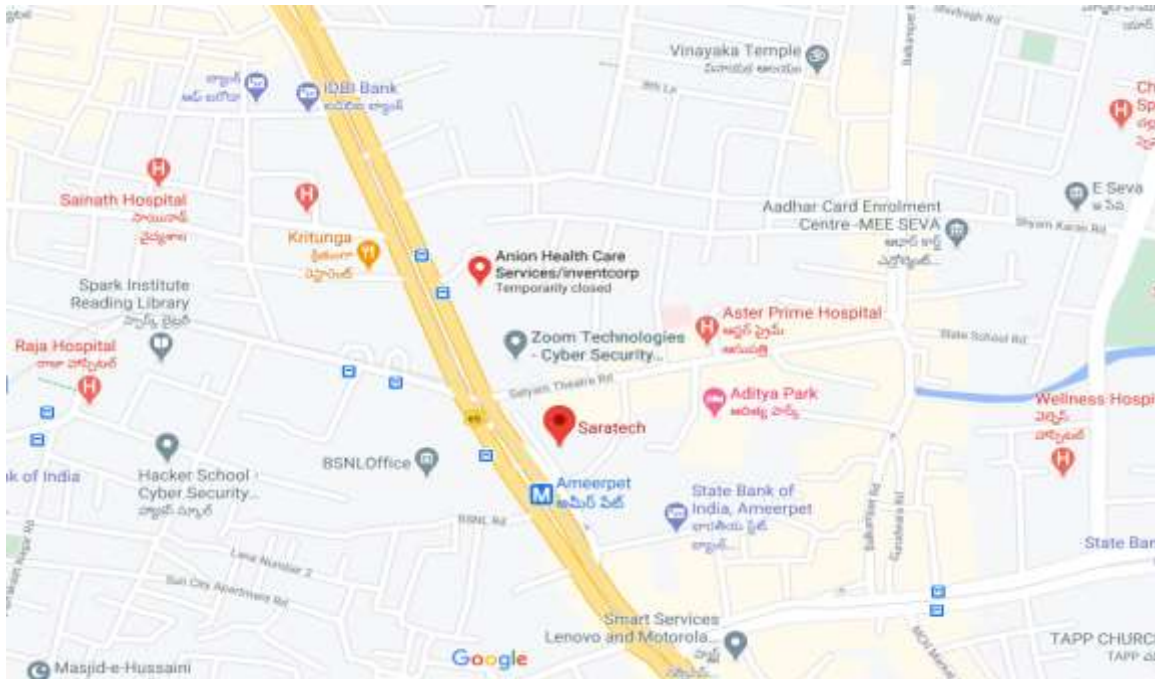
In terms of the Requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; route map for the location of the venue of the 23<sup>rd</sup> Annual General Meeting is given below :

**ROUTE MAP FOR AGM VENUE**

Long view



Short view



**SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED**

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3<sup>rd</sup> Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500004

Email: cs@sol.net.in, website: [www.sol.net.in](http://www.sol.net.in)

**Form No.MGT-12  
POLLING PAPER**

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)I of the Companies (Management and Administration Rules, 2014)

CIN	L72900TG1998PLC030463		
Name of the Company	<b>SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED</b>		
Registered Office	Flat No. A3, 3 <sup>rd</sup> Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500004		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	
Number of Equity shares held			

In respect of 23<sup>rd</sup> Annual General Meeting of the Company, I hereby exercise my vote in respect of Ordinary/ Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Sl. No	Resolution (s)	Vote	
		For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2021 including Audited Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon. (Ordinary Resolution)		
2	To appoint a director in place of Mr Brijmohan Venkata Mandala (DIN: 00295323), who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)		
3	To appoint M/s. Darapaneni & Co., Chartered Accountants, Hyderabad (F.R.N. 000685S) as Statutory Auditors for a period of five years from FY 2021-22.		
<b>Special Business</b>			
4	Approval of Related Party Transactions for a period of three years (Ordinary Resolution)		

Place:

Date:

(Signature of the Shareholder / Proxy)