

Date: September 08, 2022

To,  
The Manager,  
BSE Limited,  
Phioze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai 400001

Scrip Code: 532669

**Subject:** Submission of Annual Report for the Financial Year 2021-22

Dear Sir / Madam,

This is with reference to the captioned subject and pursuant to Regulation 34(1) of SEBI (LODR) Regulations, 2015, we hereby enclosed herewith Annual Report of M/s Southern Online Bio Technologies Limited for the FY 2021-22.

You are requested to take note of the same.

Thanking you,  
For Southern Online Bio Technologies Limited

Pagidipati  
Devaiah

Digitally signed by  
Pagidipati Devaiah  
Date: 2022.09.08  
18:09:43 +05'30'

Dr Devaiah Pagidipati  
Chairman and Managing Director  
DIN: 05147621

**CIN: L72900TG1998PLC030463**

Registered Office: A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 500 004. Telangana, India.

Phones: +91-40-23241999, +91-40-44341999, Fax: +91-40-23241444, email: cs@sol.net.in, website: www.sol.net.in

Unit - I : Survey No. 6 & 7, Samsthan Narayanapur (V&M), Yadadri Bhuvanagiri Dist., Telangana, Ph.: +91 8681 287575

Unit - II : Plot No. 45/A, APIIC-SEZ, Atchutapuram (V&M), Visakhapatnam Dist.-531011, Andhra Pradesh, India.

Corporate Office: Flat No. 602, 6th Floor, Swarna Jayanthi Complex, Beside Maitrivanam, Ameerpet, Hyderabad - 500 038.

**24<sup>th</sup>  
Annual Report  
2021 – 2022**



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

## **CORPORATE INFORMATION**

### **Board of Directors**

Dr. Devaiah Pagidipati (DIN: 05147621)	-	Chairman and 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: 03412586)	-	Independent Director

### **Chief Financial Officer**

Mr. U U V Ravikanth

### **Company Secretary**

Mr. Rohit Tibrewal (appointed w.e.f. May 20, 2022)

### **Bankers**

Union Bank of India, Hyderabad  
Bank of India, Hyderabad  
State Bank of India, Hyderabad  
Central Bank of India, Hyderabad  
HDFC Bank, Hyderabad

### **Statutory Auditors**

M/s. Darapaneni & Co.,  
Chartered Accountants, Flat No. 1A,  
Rama Apartments, Plot No. 84,  
Srinagar Colony, Hyderabad - 500 073

### **Registrar & Transfer Agents**

M/s Aarthi Consultants Private Limited  
Registered office: 1-2-285, Domalguda,  
Hyderabad - 500 029

### **Plant Locations**

- I. Survey Nos. 6 & 7, Samsthan Narayanpur (V&M), Yadadri Bhuvanagiri District, Telangana - 508116
- II. Plot No. 45/A, APSEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam - 531011, 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. K Srivas,  
Practicing Chartered Accountant,  
Plot No. 48, Ishaq Colony, Near A.O.C. Gate,  
Wellington Road, Secunderabad 500015

### 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 24<sup>th</sup> (Twenty fourth) annual general meeting (AGM) 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 - 500038 Telangana on Friday, September 30, 2022 at 02.00 P.M. to transact the following items of businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Dr. Devaiah Pagidipati, Managing Director (DIN: 05147621), who retires by rotation and being eligible offers himself for reappointment.

Place: Hyderabad  
Date: September 02, 2022

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

**Sd/-**  
**Rohit Tibrewal**  
Company Secretary  
M. No. A31385

**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. 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.
3. 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.
4. 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 Private Limited.
5. 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.
6. The Register of Directors 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.
7. 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.
8. 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.
9. 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.
10. The Notice of the AGM along with the Annual Report 2021-22 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.

11. Members may also note that the Notice of the 24<sup>th</sup> AGM and the Annual Report 2021-22 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.
12. 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.
13. The Register of Members and the Share Transfer Books of the Company will remain closed from September 24, 2022 to September 30, 2022 (both days inclusive).
14. The route map of the venue of the AGM is attached for the convenience of the members.

#### 15. **Instruction for E-Voting**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting will be provided by CDSL.

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sol.net.in](http://www.sol.net.in). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the remote e-voting facility) i. e. [www.evotingindia.com](http://www.evotingindia.com)

#### **THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:**

- (i) The e-voting period begins on September 27, 2022 at 09:00 A.M and ends on September 29, 2022 at 05:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- (iii) Mr. Jineshwar Sankhala, (C.P No. 18365), M/s. P. S Rao & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process and voting at the venue of the 24<sup>th</sup> AGM in a fair and transparent manner.
- (iv) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated September 12, 2020, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all

shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on</li> </ol>



	<p><a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

### Login type Helpdesk details

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

### Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
  - 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

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

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for the relevant <**Southern Online Bio Technologies Limited**> on which you choose to vote.
- (vi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

## Southern Online Bio Technologies Limited

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- (viii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xiii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@sol.net.in](mailto:cs@sol.net.in) if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**Voting through ballot means:**

The shareholders of the Company, holding shares either in physical form or in dematerialized form, as of **September 23, 2022** (i. e. the cut-off date) may also 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 23, 2022.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**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 notice of the annual general meeting.
- II. The results of the combined voting (e-voting and ballot) shall be declared on or after the annual general meeting of the Company within the stipulated time period. The voting 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. BSE Limited within the stipulated time period.
- III. Members may address any query to Mr. Rohit Tibrewal, Company Secretary and Compliance Officer of the Company sending at the registered office address or Phone: 040 - 23746600, e-mail address: [cs@sol.net.in](mailto:cs@sol.net.in)

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

Place: Hyderabad  
Date: September 02, 2022

**Rohit Tibrewal**  
Company Secretary  
M. No. A31385

**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	Dr Devaiah Pagidipati
B	Brief Profile	
	i) Age	78 years
	ii) Educational Qualification	<p>MBBS from Osmania Medical College, Hyderabad.</p> <p>MD Anesthesiology, Long Island Jewish Medical Center, New Hyde Park, NY, USA</p> <p>Super Specialty: Pediatric Anesthesia from Harvard University, Children Hospital, Boston, MA. USA</p>
	iii) Date of appointment on the board of the Company	January 27, 2020
C	Nature of expertise in functional area	<p>With sheer hard work and determination, Dr. Devaiah Pagidipati excelled in his school education as a top performer in Telangana and leaped into Osmania Medical College, Hyderabad in the year 1964-1971. Succeeding in medicine, he was taken into the prestigious Kakatiya Medical College in 1971 as a Lecturer.</p> <p>In the year 1973, he went to USA for his Post Graduation in Anesthesiology and Super Specialty in Paediatric Anaesthesia from Harvard University, Children Hospital, Boston, MA. USA.</p> <p>In USA, he started several business in the field of health care including successful health insurance company.</p> <p>In 2009, he came back to India to fulfil his promises and vision of helping and supporting his own countrymen. He is the founder and Director of many Companies in India.</p> <p>He is also known for his philanthropy activities. He is the founder of Non Profit society NAADAM ( National Association for Advancement of Dalits, Adivasis, and Minorities) The vision of NAADAM is Education – Employment – Equality – Empowerment. NAADAM helps underprivileged students to study in top colleges like IITs, NITs, IIITs, NALSAR and Government Medical Colleges. Also focuses on health of rural and urban population in primary care space through free clinics, health camps. Women Empowerment programs and welfare schemes like skill training, toilet facilitation, placement empowerment are extensively implemented through NAADAM.</p>

## Southern Online Bio Technologies Limited

D	Directorship held in other Companies (excluding foreign and Section 8 Companies)	<ol style="list-style-type: none"> <li>1. Southern Biofe Biofuels Pvt Ltd</li> <li>2. Sathwik Projects Private Limited</li> <li>3. PB Aero Freedom Services Private Limited</li> <li>4. Bheem Online Services Limited</li> <li>5. Awlencan Innovations India Limited</li> <li>6. Inventcorp Technologies Limited</li> <li>7. E Vaidya Private Limited</li> <li>8. United Health Systems Private Limited</li> </ol>
E	Chairmanship/ Membership of committees of other Companies (includes only Audit, Stakeholders Relationship and Nomination & Remuneration Committee)	Nil
F	Details of Remuneration sought to be paid and the remuneration last drawn by such person	Currently Dr. Devaiah Pagidipati is not drawing remuneration from the Company.
G	No. of shares of held	4,49,94,000 equity shares of Rs 10/- each
H	Relationship between Directors inter-se/Managers/KMP's	Nil

## BOARDS' REPORT

### **Dear Members**

Your Directors have pleasure in presenting before you the 24<sup>th</sup> Board Report on the Company's business and operations, together with the audited standalone financial statements for the financial year ended March 31, 2022.

### **Financial performance**

The financial highlights (standalone) of the Company's operations are as follows:

(Rs. in Lakhs)

Particulars	2021-22	2020-21
Total Income	259.93	220.99
Total Expenditure	236.96	171.49
Profit before Tax	22.97	49.50
Total Tax expenses	0	(3.54)
Profit after Tax	22.83	45.97
Transfer to General Reserve	22.83	45.97
Profit available for appropriation	0	0
Provision for Proposed Dividend	0	0
Provision for Corporate Tax	0	0
Balance Carried to Balance Sheet	22.83	45.97

### **Performance**

#### **a) Operations**

The total revenue of the Company for the financial year ended March 31, 2022 was Rs. 259.93 lakhs as compared to the previous year's total revenue of Rs. 220.99 lakhs. During FY 2021-2022, the Company has a net profit of Rs 22.83 lakhs as against the previous year's net profit of Rs. 45.97 lakhs. The revenue of the Company was from ISP Division.

#### **b) Prospects**

With India's primary energy demand set to double by 2040, the use of alternative fuels such as Biodiesel is bound to double by 2040. These fuels also help reduce the environmental impact as the end product is 95 percent carbon free on an average.

The Government of India is aiming for more than 5% blend of biodiesel in normal diesel. Currently the transport sector, railways and aviation are the major end-users of bio-diesel in India. But with India only contributing to 1 percent of the global biofuel production, alternative fuels are still niche in our country.



### c) ISP Division

Originally, the company was set up as an Internet Service Provider (ISP) and is the first private ISP to offer its services across the state of Telangana & Andhra Pradesh in India. For over fifteen years, the company is providing broadband internet services to up-market corporate clients and dial-up internet services to individual customers with a market share of 10% in Telangana and Andhra Pradesh.

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

### d) Bio Diesel Division

In 2003, the Company forayed into the area of bio-diesel production, the ideal eco-friendly alternative to conventional diesel. It has set up two plants – the first plant in Samsthan Narayanpur, Bhongiri, Telangana and the second plant in APIIC-SEZ, Visakhapatnam, Andhra Pradesh.

- **Samsthan Narayanpur, Nalgonda District, Telangana, India:** - The plant was originally 30 TPD plant and started restoration of the same. The new management of the Company has decided to add additional facility with 100 TPD distillation Plant including esterification plant to cater to all the waste vegetable oils and process to Biodiesel of highest quality and purity which can be sold at premium and at ease.

The commercial production at this plant has been commenced from August, 2022 and the Company is expecting decent revenue in this year.

- **Visakhapatnam SEZ Plant:** The plant is completely integrated and designed at 250 TPD complex Biodiesel plant with state-of-art technology which can handle any type of waste vegetable oils and can produce the highest quality and purity of Biodiesel. The plant has distillation to get the highest standards of Biodiesel scrupulously meeting the Export standards EN 14214.

The Company is in process of commencing the production at this plant.

### e) 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.

### 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, 2022.

### COVID-19

The COVID-19 pandemic created short term disruptions and it's unclear when the pandemic will come to an end. The business impact of COVID-19 is far-reaching and deeply felt in every industry.

## Southern Online Bio Technologies Limited

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With the outbreak of the COVID-19, your company faced lot of hurdles and challenges to revive the company in terms administrative and regulatory process and operational activities.

Amid upliftment of the COVID restrictions, the Company has started functioning on normal basis while maintaining all the protocols to prevent and protect the employees from the spread of the virus.

### Secretarial Standards

Your Company has devised proper systems to ensure compliance with the provisions of all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review, your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

### Share Capital

During the F.Y. 2021-22, 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 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

### Transfer to reserves

No amount has been transferred to reserves during the year.

### Dividend

Your Board of Directors has not declared any dividend during the year.

### Buy Back of shares

The Company has not bought back any of its securities during the financial year ended March 31, 2022.

### Disinvestments

During the year under review, the Company has divested its entire investments i. e. 3,43,097 equity shares held in Southern Biofe Biofuels Private Limited, a Subsidiary Company.

### Indian Accounting Standards (Ind AS)

The Company has adopted Indian Accounting Standards (Ind AS). The standalone 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 and relevant amendment rules issued thereafter and guidelines issued by the Securities Exchange Board of India ("SEBI").

### 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**

There are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of your Company and its future operations.

### **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, 2022, to which the financial statements relates and the date of signing of this report.

### **Board of Directors**

During the year under review, there was no change in the composition of the Board of Directors of the Company.

### **Key Managerial Personnel**

During the year under review, Mr. Srikant Reddy Kolli, Company Secretary and Compliance Officer of the resigned effective September 30, 2021.

Ms. Ramyanka Yadav, who was appointed as Company Secretary and Compliance Officer effective November 12, 2021, has resigned from the office of the Company Secretary and Compliance Officer effective April 18, 2022.

Subsequent to the end of the financial year March 31, 2022, Mr. Rohit Tibrewal was appointed as Company Secretary and Compliance officer of the Company effective May 20, 2022

### **Declaration by the Independent Directors**

The Company has received declarations from all the 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.

### **Nomination and Remuneration Policy:**

Pursuant to the provisions of Section 178(3) of the Companies Act, 2013, and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee has formulated a policy relating to the nomination and remuneration for the Directors and the Key Managerial Personnel (KMP). The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters are adopted as per the provisions of the Companies Act, 2013. The detailed policy is available on the Company's website at [www.sol.net.in](http://www.sol.net.in)

### **Board Evaluation**

The parameters and the process for evaluation of the performance of the Board and its Committees have been explained in the Corporate Governance Report.

## Familiarisation Programme

In terms of Clause 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of the familiarization programme of the Independent Directors are available on the website of the Company at [www.sol.net.in](http://www.sol.net.in)

## Meetings of the Board of Directors

The Board of Directors of the Company duly met 6 (times) during the financial year. The intervening gap between any two meetings was within the prescribed period.

## Committees of the Board

We have in place all the Committees of the Board which are required to be constituted under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed note on the Board and its Committees is provided under the Corporate Governance Report section in this Board's Report.

## Subsidiary, Associate and Joint Venture Companies

During the year under review, M/s. Southern Biofe Biofuels Private Limited ceased to be the subsidiary of the Company. The Board of Directors of the Company divested its entire shareholding of M/s. Southern Biofe Biofuels Private Limited.

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.

There are no Subsidiaries, Associates and Joint Ventures as at the end of the financial year March 31, 2022.

## Statutory Auditors

At the 23rd AGM of the Company, the members approved appointment of M/s. Darapaneni & Co, Chartered Accountants, Hyderabad having Firm registration number 000685S as Statutory Auditors of the Company for a period of 5 years from the conclusion of that AGM till the conclusion of 28th AGM. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The Auditors' Report for FY 2021-22 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

## 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.

The Board of Directors has reappointed Mr. K Srivas, Chartered Accountant as Internal Auditor of the Company for the FY 2022-23. The recommendations of the internal audit team on improvements required in the operating procedures and control systems are also presented to the Audit Committee, for the teams to use these tools to strengthen the operating procedures.

### Cost Audit

Pursuant to Section 148(1) of the Companies Act, 2013, Cost Audit is not applicable to the Company for the financial year ended March 31, 2022.

### 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 IV** to this report.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Board had appointed M/s. CSB Associates, Practicing Company Secretaries as Secretarial Auditors to conduct Secretarial audit of the Company for the FY 2021-22.

The Secretarial Audit Report issued by Mr. C Sudhir Babu, Proprietor of M/s. CSB Associates, Practicing Company Secretaries in form MR-3 is enclosed as **Annexure - VI** to this Annual Report.

Pursuant to the provisions of Regulation 24A of SEBI (LODR) Regulations, 2015, every listed entity and its material unlisted subsidiary incorporated in India shall undertake secretarial audit and shall annex a secretarial Compliance Report given by a Company Secretary in Practice and in such form as specified, with the annual report of the listed entity. 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** 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.

### Corporate Social Responsibility (CSR)

During the year under review, the provisions of the section 135 of the Companies Act, 2013 are not applicable to the Company.

### Management Discussion and Analysis Report

In terms of the provisions of Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, outlook, risks and concerns etc. is annexed as **Annexure-IX** of this Annual Report.

### Corporate Governance

Pursuant to regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report on Corporate Governance for the financial year ended March 31, 2022, is annexed hereto as **Annexure-X**.

A Compliance certificate on Corporate Governance for the FY 2021-22, from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

### **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 Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22. Please refer Internal control systems and adequacy" in the Management Discussion and Analysis report.

### **Consolidated financial statements**

The Company has prepared the financial statements for the financial year ended March 31, 2022 on standalone basis, since there were no subsidiaries or associates of the Company as at the end of the FY 2021-22.

### **Whistle blower Policy/Vigil Mechanism**

Pursuant to the requirement of the Companies Act, 2013 and of Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. The said Policy provides for adequate safeguard against victimization of directors/employees who avail of such mechanism and provides access to the Chairman of Audit Committee in exceptional cases. No person has been

denied access to the Chairman of the Audit Committee. The Whistle Blower Policy has been placed on website of the Company and web link thereto is [www.sol.net.in](http://www.sol.net.in)

During the year, there were no whistle blower complaints received by the Company.

### Reporting of Fraud

During the year under review, the Statutory Auditors and Secretarial Auditors of the Company 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 Companies Act, 2013 details of which need to be mentioned in this Report.

### Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 will be uploaded on the Company's website 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 Company has always provided a safe and harassment free workplace for every individual working in its premises through various policies and practices. The company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company has been actively involved in ensuring that the employees are aware of the provisions of the POSH Act and rights thereunder. In the year under review, the Company has not received any such complaint from any employee.

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

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

### 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 before 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.

## Human Resources

Employees are our most valuable assets and key to the success of your Company. We are committed to hiring and retaining the best talent. We always strive towards collaborative, transparent and participative organization culture, and reward individual contribution and innovation.

## Insurance

The properties and assets of your Company are adequately insured.

## 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 2021-22 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 2021-22 have been prepared on a going concern basis.
- v. that the Directors, had laid down internal financial controls to be followed by the Company that such internal financial controls were adequate and were operating effectively.
- vi. that system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 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 of Directors takes this opportunity to place on record its appreciation to all the stakeholders of the Company, viz., customers, investors, banks, regulators, suppliers and other business associates for the support received from them during the year under review. The Directors also wish to place on record their deep sense of gratitude and appreciation of all the employees for their commitment and contribution towards achieving the goals of the Company.

Place: Hyderabad  
Date: September 02, 2022

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

**Dr. Devaiah Pagidipati**  
Chairman and Managing Director  
DIN: 05147621

### 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 Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### **FORM A**

##### **1. CONSERVATION OF ENERGY**

- |                                  |   |     |
|----------------------------------|---|-----|
| (i) Energy Conservation measures | : | Nil |
| (ii) Total energy consumption    | : | Nil |

- |                                 |   |     |
|---------------------------------|---|-----|
| <b>2. TECHNOLOGY ABSORPTION</b> | : | 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>B. Technology absorption, adaptation and innovation</b> | : | 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**

<b>Part – A: Subsidiaries</b>		<b>(Amount in Rs)</b>
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 2021 to 31 March 2022
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA
4	Share capital	3,43,097 equity shares of Rs 10/- each
5	Reserves & surplus	(36,517)
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%

\* During the year under review, the Company has divested its entire shareholding i. e. 3,43,097 equity shares of Southern Biofe Biofuels Private Limited.

Names of subsidiaries which are yet to commence operations: Not Applicable

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

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures: Not Applicable**

**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, 2022, 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	Common Directorships	Ongoing	Ordinary course of business	35.06
<b>Purchases</b> M/s. Sathwik Projects Pvt Ltd	Common Directorships	Ongoing	Ordinary course of business	1645.09
<b>Managerial Remuneration</b>	-	-	-	-
<b>Reimbursement of Expenses</b>	-	-	-	-
<b>Debit Balances</b> M/s. Southern Biofe Biofuels Private Limited	Common Directorships	N.A.	-	14.06
M/s. Bheem Online Services Limited	Common Directorships	N.A.	-	0.02
M/s. e Vaidya Pvt Ltd	Common Directorships	N.A.	-	11.22
<b>Credit Balances</b> Dr Devaiah Pagidipati	Managing Director of SBTL	N.A.	Unsecured loan	3118.83
M/s. e Vaidya Pvt Ltd	Common Directorships	Onetime	Sale of equity shares held in Southern Biofe Biofuels Private Limited to e-Vaidya Pvt Ltd.	34.32

**ANNEXURE-IV**

**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**

Sl. No	Particulars	Details					
		Mr Srikanth Reddy Kolli	Mrs Ramyanka Yadav K	Mr UUV Ravikanth	Mr Bandaru Narasimha Swamy	Mr K V Butchi Babu	Mr N Gowtham Reddy
1	Name of the employee	Mr Srikanth Reddy Kolli	Mrs Ramyanka Yadav K	Mr UUV Ravikanth	Mr Bandaru Narasimha Swamy	Mr K V Butchi Babu	Mr N Gowtham Reddy
2	Designation of the employee	Company Secretary (Resigned on 30/09/2021)	Company Secretary (Resigned on 18/04/2022)	CFO	GM- ISP Division	DGM	Samsthan Narayanpur Factory Manager
3	Remuneration received (in Rs)	552000	341187	864000	785376	748800	744000
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	ACS	ACS	Post Graduate	MS (IT)	B.SC (computer Science)	M.Tech (IIT)
6	Date of commencement of employment	Nov 2020	Nov 2021	Oct 2020	1999	2000	2020
7	The last employment held by such employee before joining the company	YSK Developers	PVP Ventures	Nil	Nil	Nil	Nil
8	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	Nil

Southern Online Bio Technologies Limited

9	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No relationship	No relationship	No relationship	No relationship	No relationship	No relationship
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SI No	Particulars	Details				
		1	Name of the employee	Mr Ganna. V	Mr MS Ram Gopal	Mr P Venkateswarlu
2	Designation of the employee	DGM-Marketing	Procurement Manager	Asst. Company Secretary	Manager – Admin	HOD - Process
3	Remuneration received	684000	444000	444000	380724	380724
4	Nature of employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
5	Qualifications and experience of the employee	MA, M.Phil	Graduate	Graduate	Graduate	Graduate
6	Date of commencement of employment	2001	2020	July, 2020	Jan 2020	May 2020
7	The last employment held by such employee before joining the company	Nil	Nil	Nil	Nil	Nil
8	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
9	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	No relationship	No relationship	No relationship	No relationship	No relationship

**ANNEXURE-V**

**The details of remuneration during the year 2021-22 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	Nil
3	The percentage increase in the median remuneration of employees in the financial year	Nil
4	The number of employees on the rolls of the company	56
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	Nil
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: None of the Directors were paid remuneration including sitting fee during the financial year 2021-22.

**ANNEXURE-VI**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

[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, 2022 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, 2022 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;
- (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;
  - (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 Statutory Auditors of the Company PCN & Associates, Chartered Accountants, have resigned with effect from 14-08-2021 due to their other preoccupations. The Company has appointed M/s Darapaneni & Co., Chartered Accountants, as Statutory Auditors of the Company in the 23<sup>rd</sup> Annual General Meeting held on 25<sup>th</sup> September, 2021 for a period of Five (5) years.
- b) The Company disinvested its 100% holding of equity shares held by it in M/s. Southern Biofe Biofuels Private Limited, a wholly owned subsidiary pursuant to the approval of Board of Directors in its meeting held on 31.03.2022.

**For CSB Associates**

Place: Hyderabad  
Date: 20-05-2022

Sd/-  
**C. Sudhir Babu**  
Practicing Company Secretary  
FCS: 2724, CP No.: 7666  
UDIN: **F002724D000356211**

**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.

**For CSB Associates**

Place: Hyderabad  
Date: 20-05-2022

Sd/-  
**C. Sudhir Babu**  
Practicing Company Secretary  
FCS: 2724, CP No.: 7666

**ANNEXURE-VII**

**SECRETARIAL COMPLIANCE REPORT OF SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED  
FOR THE YEAR ENDED MARCH 31, 2022**

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, 2022("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;

Southern Online Bio Technologies Limited

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- a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- 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: 20-05-2022

Sd/-  
**C. Sudhir Babu**  
Proprietor  
FCS: 2724, CP: 7666  
**UDIN: F002724D000356220**

**ANNEXURE-VIII**

**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 P.S. Rao & ASSOCIATES**  
Company Secretaries

Place: Hyderabad  
Date: September 03, 2022

Sd/-  
**Jineshwar Kumar Sankhala**  
FCS No. 21697, C P No. 18365  
UDIN: A021697D000908011

## **ANNEXURE-IX**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

Sudden outbreak of the COVID-19 pandemic had led to the implementation of stringent lockdown regulations resulted in disruptions and delay in commencement of commercial production of Biodiesel Plants of the Company.

Biofuels are regarded as one of the most promising options to fulfil the higher energy requirement in future and simultaneously decarbonize the environment caused by excessive usage of fossil fuels. Technologies for the production of biomass based fuels particularly bioethanol and biodiesel are rapidly developing. Biodiesel is contributing to the diversification of sources and technologies benefiting to the economy.

India's biofuel policy foresees biofuels as potential candidates stimulating rural development by generating employment opportunities, together with environmental and economic benefits.

The uncertainties in oil prices mandating the serious evaluation of opportunities for the production and consumption of biofuels. Furthermore, because of the price instability in crude oil and overdependency on import, governments are showing keen interest in development and promotion of biofuels even leveraging the subsidies to make biofuels commercially viable.

#### ***Opportunities in Biodiesel***

India meets just 23% of petrol demand through domestic production while the rest is met from imported crude. Keeping this in view, India's energy security remains vulnerable until alternative fuels to substitute/supplement petro-based fuels are developed indigenously.

Biofuels can increasingly satisfy India's growing energy needs in an environmentally benign and cost-effective manner, reducing dependence on import of fossil fuels and thereby providing a higher degree of National Energy Security.

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

The management has designed internal control systems commensurate with the size and complexity of the business. These systems have been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding its assets from unauthorized use or losses, executing transactions with proper authorization, prevention and detection of fraud and compliance with policies and procedures.

The Audit Committee reviews internal audit reports submitted by the internal auditors. The action taken tracker is also reviewed for implementation of the suggested corrective actions. The Audit Committee also meets the statutory auditors to ascertain their views on the adequacy of internal control systems.

### c) Financial review

The highlights of financial operational performance are given below:

(Rs. In Lakhs)

Particulars	2021-22	2020-21	2019-20
Total Income	259.93	220.99	33,666.10
Total Expenditure	236.96	171.49	9,098.90
Profit before Tax	22.97	49.50	24,567.20
Provision for Tax	-	(3.54)	7,984.89
Profit after Tax	22.83	45.97	16,582.31
Transfer to General Reserve	22.83	45.97	16,582.31
Profit available for appropriation	-	-	-
Provision for Proposed Dividend	-	-	-
Provision for Corporate Tax	-	-	-
Balance Carried to Balance Sheet	22.83	45.97	16,582.31

### 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 were cordial and the Company is committed to maintain the same in future.

### e) Closure of Liquidation process against the Company

The Company (SBTL) was admitted in the NCLT Hyderabad vide Application no "IA No. 1038/2019 in CP (IB) No. 343/7/HDB/2018 pursuant to the provision of Section 7 of the IB Code, 2016 filed by Bank of India.

The Hon'ble National Company Law Tribunal, Hyderabad bench ("Adjudicating Authority"), had ordered the commencement of the corporate insolvency resolution ("CIR") process in respect of the corporate debtor, i.e., Southern Online Bio Technologies Limited ("The Company") under the provisions of the Insolvency and Bankruptcy Code, 2016 (the "Code"). An Interim Resolution Professional ("IRP") was appointed to manage the affairs of the Company who was later confirmed to be the Resolution Professional ("RP"). Upon appointment of the IRP / RP, the powers of the Board of Directors were suspended.

When no resolution plan came forth, the Committee of Creditors resolved to liquidate the Company.

The Stakeholders Consultation Committee was formed and at their meeting it was advised to sell the Company as a going concern.

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 was fixed 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. The Liquidator after verifying the documents, declared him as the qualified bidder and permitted to participate in the e-auction.



## Southern Online Bio Technologies Limited

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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.

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) was sold on 'as is where is and as is whatever there is without recourse basis in favour of Dr. Devaiah Pagidipati and the possession of the Company was handed over to him on January 02, 2020 by issuing a sale certificate by the Liquidator.

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

The Hon'ble NCLT pursuant to its order dated November 26, 2019, directed for the extinguishment of the existing shares of the Company and allotment of 4,50,00,000 shares to the applicant i. e. Dr. Devaiah Pagidipati and his associates.

Accordingly, the Company has applied for the in-principle approval for cancellation of existing 5,89,93,288 equity shares and listing of fresh 4,50,00,000 equity shares with the BSE Ltd. vide application dated January 13, 2021.

The Company has received in-principle approval from the BSE Ltd. vide its letter dated February 12, 2021 for cancellation of existing 5,89,93,288 equity shares and listing of fresh 4,50,00,000 equity shares.

The Hon'ble NCLT pursuant to its order dated November 26, 2019, directed for the reconstitution of the Board of Directors as per the provisions of the Companies Act and SEBI Regulations.

Accordingly, the Board of Directors was reconstituted with the induction of the new Board members, the details has been provided elsewhere in the annual report.

### **f) Outlook**

Biodiesel is a green, clean-burning fuel produced via the transesterification of edible and non-edible oils. It is renewable, cost-effective, carbon-neutral and non-toxic compared to conventional sources of fuels. As a result, it is extensively utilized in the automotive, marine and railway sectors of India to reduce carbon emissions. Moreover, as biodiesel improves the lubrication of an engine and enhances engine life, it is combined with petroleum diesel fuel for being used in compression ignition engines.

Inflating prices of petroleum products, in confluence with the rising environmental concerns, are escalating the demand for biodiesel in the automobile industry of India. Moreover, the increasing focus on sustainable development practices is bolstering the growth of the market. Furthermore, as biodiesel improves air quality, enhances energy security and provides various safety benefits, it is used to power underground mining equipment and machinery.

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

Place: Hyderabad  
Date: September 02, 2022

Sd/-  
**Dr. Devaiah Pagidipati**  
Chairman and Managing Director  
DIN: 05147621

## **ANNEXURE-X**

### **REPORT ON CORPORATE GOVERNANCE**

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

Integrity and transparency are the principles that have inspired the Company in designing its corporate governance system, a key pillar of the Company's business model.

The governance system, flanking our business strategy, is intended to support the relationship of trust between the Company and its stakeholders and to help achieve business goals, creating sustainable value for the long-term. The Company is committed to building a corporate governance system founded on excellence in our open dialogue with all the stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time, as applicable, with regard to Corporate Governance.

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

**(i)** 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, 2022, the Board of Directors ("Board") comprises of 4 members of which one is Executive, one is Non-Executive Non-Independent and the other two are Independent Directors. Independent Directors constitute 50% of the Board's strength as per the requirements of the Regulation 17 of SEBI Listing Regulations and the Companies Act, 2013.

**(ii)** There are no pecuniary relationships or transactions with Non Executive Independent Directors that could materially influence their judgment except sitting fees paid towards attending Board and Committee Meetings

**(iii)** Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

**iv. Number of Board Meetings held and the date on which held**

6 (Six) Board meetings were held during the FY21-22 and the gap between two meetings did not exceed 120 days. The Board meetings were held on the following dates:

Number of Board meetings	Date of Board meeting
1	June 03, 2021
2	June 30, 2021
3	August 10, 2021
4	November 12, 2021
5	February 11, 2022
6	March 31, 2022

**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, 2022 has been set out here below:

S. No.	Name of Director	No. of Board		Attendance at last AGM	Number of shares held
		Held	Attended		
1	Dr Devaiah Pagidipati	6	6	No	4,49,94,000
2	Mr Brijmohan Venkata Mandala	6	6	Yes	1000
3	Mr Madana Mohana Rao Yalamanchili	6	5	Yes	Nil
4	Dr Divya Sunitha Raj Burra	6	4	Yes	Nil

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

S. No.	Name of Director	Directorships in Listed Companies (including SBTL)	Other Directorships	Committee Membership	Committee Chairmanship
1	Dr Devaiah Pagidipati	Southern Online Bio Technologies Limited – Chairman and Managing Director	8	-	-
2	Mr Brijmohan Venkata Mandala	Southern Online Bio Technologies Limited – Non Executive Director	6	2	2

## Southern Online Bio Technologies Limited

3	Mr Madana Mohana Rao Yalamanchili	Southern Online Bio Technologies Limited – Independent Director	3	-	-
4	Dr Divya Sunitha Raj Burra	Southern Online Bio Technologies Limited – Independent Director	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.
- The membership of the Director in committees does not include the committees in Foreign Companies, Companies Registered under Section 8 of the Companies Act, 2013 and Private Limited Companies
- For the purposes of determination of committee details as per Regulation 26 of Listing Regulations, membership and chairpersonship of only the audit committee and the stakeholders relationship committee are considered

### b) Disclosure of relationship between new directors inter-se

None of the Directors are related to any other Director.

### c) Shares held by Non-Executive Directors

The number of equity shares of the Company held by the non-executive directors, as on March 31, 2022 are as follows:

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

### d) 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

The Audit Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013.

##### ❖ *Brief description of terms of reference*

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.

❖ **Composition**

The Composition of the Committee during the year:

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

- Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.
- Minutes of meetings of the Audit Committee are placed before the Board and discussed in the meeting.
- The Company Secretary acts as the Secretary to the Audit Committee.
- During the year under review all recommendations made by the Audit Committee were accepted by the Board of Directors
- The Chairperson of the Audit Committee was present at the previous AGM of the Company.
- The Audit Committee charter containing exhaustive terms of reference is available on our website [www.sol.net.in](http://www.sol.net.in)

❖ **Meetings and attendance during the year**

- 5 (Five) Audit Committee Meetings were held during the financial year ended March 31, 2022. 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 30.06.2021, 10.08.2021, 12.11.2021, 11.02.2022 & 31.03.2022
- Attendance at the Audit Committee Meetings during the FY21-22:

S. No.	Name of Director	No. of Meetings	
		Held	Attended
1	Dr Devaiah Pagidipati	5	5
2	Mr Madana Mohana Rao Yalamanchili	5	4
3	Dr Divya Sunitha Raj Burra	5	3

## II. Nomination & Remuneration Committee

Nomination and Remuneration Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act

### ❖ **Brief description of terms of reference**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Carry on the evaluation of every director's performance;
4. 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;
5. Formulation of criteria for evaluation of Independent Directors and the Board;
6. Devising a policy on Board diversity; and
7. Any other matter as the Board may decide from time to time.

The charter of the Committee with detailed terms of reference and the policy for determining the remuneration of the Directors, KMP's and other employees is available on our website [www.sol.net.in](http://www.sol.net.in)

### ❖ **Composition**

The Composition of the Committee during the year:

S. No	Name of the Director	Category of Directorship	Designation in Committee
1	Dr Divya Sunitha Raj Burra	Independent Director	Chairperson
2	Mr Madana Mohana Rao Yalamanchili	Independent Director	Member
3	Mr Brijmohan Venkata Mandala	Non Executive Director	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.

### ❖ **Meetings and attendance during the year**

S. No.	Name of Director	No. of Meetings	
		Held	Attended
1	Dr Divya Sunitha Raj Burra	1	1
2	Mr Madana Mohana Rao Yalamanchili	1	0
3	Mr Brijmohan Venkata Mandala	1	1

❖ **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.
- During the year under review, no remuneration was paid to the Executive Director of the Company
- The Non-executive directors are not paid sitting fees for attending meetings of Board/Committee.
- There were no pecuniary relationships or transactions of the Independent Directors vis-à-vis the Company.

**III. Stakeholders & Relationship Committee**

Stakeholders Relationship Committee is constituted in line with the Regulation 20 of the SEBI Listing Regulations, 2015 and provisions of Section 178 of the Companies Act, 2013.

❖ **Brief description of terms of reference**

The Committee is empowered to handling of stakeholders' queries and grievances.

The Committee primarily focuses on:

- i. Consider and resolve the investor complaints pertaining to share transfer, non-receipt of Annual Reports, dividend payments, issue of duplicate share certificates, transmission of shares and other miscellaneous complaints.
- ii. Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company.

The charter of the Committee is available on the website of the Company [www.sol.net.in](http://www.sol.net.in)

❖ **Composition**

The composition of the Committee during the year under review:



S. No	Name of the Director	Category of Directorships	Designation in Committee
1	Dr Divya Sunitha Raj Burra	Independent Director	Chairperson
2	Mr Madana Mohana Rao Yalamanchili	Independent Director	Member
3	Mr Brijmohan Venkata Mandala	Non Executive Director	Member

❖ **Name and designation of Compliance Officer**

Mr. Srikanth Reddy Kolli appointed as Company Secretary and Compliance Officer of the Company on November 13, 2020 and resigned on September 30<sup>th</sup>, 2021.

Mrs. Ramyanka Yadav Kevalar appointed as Company Secretary and Compliance Officer of the Company on November 12, 2021 and resigned on April 18<sup>th</sup>, 2022.

Mr Rohit Tibrewal appointed as Company Secretary and Compliance Officer of the Company on May 20, 2022.

❖ **Number of Shareholders complaints received during the year**

For the year ended March 31, 2022, the Company has not received any complaints.

*Note: The Company receives emails from the erstwhile shareholders of the Company and the Company promptly reply to the emails explaining the details of the Liquidation process and details of the Resolution professional.*

❖ **Number of complaints not resolved to the satisfaction of shareholders is Nil**

❖ **There were no pending complaints as at the end of the year.**

❖ **SCORES:**

Securities Exchange Board of India (SEBI) has initiated a platform for redressing the investor grievances through SCORES, a web-based complaints redressal system. The Company is following this system. The Company received Nil complaints on SCORES.

The investors may lodge their queries/complaints to the email id of the Company [cs@sol.net.in](mailto:cs@sol.net.in)

**IV. Separate meeting of the Independent Directors**

In compliance with Regulation 25 (3) of the Listing Regulations and Schedule IV of the Companies Act, 2013, there was a separate meeting of Independent Directors of the Company held on March 31, 2022, without the presence of the Non-Independent Directors and members of the Management inter-alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

## V. Performance Evaluation of Board and Committees of the Board

An annual performance evaluation was conducted for all the Board members, for the Board and its Committees. The Board evaluation framework was designed after taking into consideration the requirements of the Companies Act, 2013 and the SEBI (Listing Regulations), 2015 and guidance notes issued by the SEBI.

The Board also considered the inputs and suggestions of the Independent Directors for determining the criteria for carrying out the entire evaluation process.

A structured questionnaire for evaluating the performance of the Chairman and Managing Directors, Non-Executive Directors and Independent Directors was prepared after taking into considerations the parameters as per the SEBI Regulations.

Evaluation of the Board was based on the criteria such as role and composition of the Board, Board communication, strategy and stakeholders value etc.

Evaluation of the Committees of the Board was based on the criteria such as independence of each committee, functioning of the committees, frequency of the meetings, effectiveness of its advice/recommendations to the Board etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

As an outcome of the above exercise, the Board expressed its satisfaction with the evaluation process.

## 4. General Body Meetings

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

Year	Locations	Date & Time	Special Resolutions Passed
23 <sup>rd</sup> AGM (2020-21)	Anion Conference Room, 8th Floor, Swarna Jayanti Complex, Beside Mairivanam, Ameerpet,	September 25, 2021 10.30 A.M	Nil

22 <sup>nd</sup> AGM (2019-20)	Anion Conference Room, 8 <sup>th</sup> Floor, Swarna Jayanti Complex, Beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038	December 31, 2020 10.00 A.M	1) Appointment of Dr Devaiah Pagidipati as Chairman & Managing Director of the Company 2) Appointment of Independent Director 3) Increase in the limits for borrowings 4) To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013 5) Approval for conversion of loan into equity
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	Nil

## 5. Means of Communication

### a) Financial / Quarterly Results

The quarterly, half yearly and yearly financial 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) Website

The Company's website [www.sol.net.in](http://www.sol.net.in) contains a separate section for Investors wherein the updated information pertaining to quarterly, half yearly and annual financial results, official press releases, shareholding pattern, corporate governance reports are available in a user-friendly and downloadable form. The Company also makes timely disclosures of necessary information to BSE limited in terms of SEBI(LODR) Regulations, 2015 and other rules and regulations issued by SEBI.

### c) Channels of communication with the investors

All periodical compliance filings like shareholding pattern, corporate governance report etc. are filed electronically on BSE Listing Centre for BSE Limited and are also placed on the website of the Company.

### d) Annual Report

Annual Report containing inter-alia Standalone Financial Statements, Directors' Report, Auditors' Report, and Corporate Governance Report etc. is circulated to the members entitled thereto and softcopy of the same is made available on the Company's website [www.sol.net.in](http://www.sol.net.in)

## 6. General shareholder's information

Date, Time and Venue of the 24 <sup>th</sup> Annual General Meeting	Date : September 30, 2022 at 02:00 P.M Venue : Anion Conference Room, 8 <sup>th</sup> Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038
Financial Calendar	April 01 to March 31
Date of Book Closure	September 24, 2022 to September 30, 2022 (both days inclusive)
Dividend Payment Date	The Board of Directors have not recommended any dividend for the FY 2021-22
Listing on Stock Exchanges	BSE Ltd
Scrip/Stock Code	532669
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

#### **M/s. Aarthi Consultants Private Limited**

1-2-285, Domalguda, Hyderabad -500029.

Tel:(040)27642217/27638111

Fax: (040) 27632184

Email: [info@arthiconsultants.com](mailto:info@arthiconsultants.com)

SEBI Registration Number - INR000000379

### Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

However the shareholders are not barred from the holding the shares in physical form.

### Postal Ballot

During the year, the Company did not pass any special resolution through postal ballot.

## 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 address of Members and Beneficial Owners and any other query relating to the shares of the Company.	<p><b>M/s. Aarthi Consultants Pvt Ltd</b> 1-2-285, Domalguda, Hyderabad -500029.</p> <p>Tel:(040)27642217/27638111 Fax: (040) 27632184 Email: <a href="mailto:info@arthiconsultants.com">info@arthiconsultants.com</a> SEBI Registration Number - INR000000379</p>
2	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	<p><b>Southern Online Bio Technologies Limited</b> Reg. Office: Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500 004</p> <p>Corporate Office: Flat No. 602, 6<sup>th</sup> Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerrpet, Hyderabad – 500038.</p> <p>Website: <a href="http://www.sol.net.in">www.sol.net.in</a> E-mail: <a href="mailto:cs@sol.net.in">cs@sol.net.in</a> Phone: 040 – 23746600/23241999</p>

## 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](http://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, 2022, 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.**

**i. Outstanding GDR's / ADR's / Warrant or any convertible instruments, conversion date and likely impact on Equity.**

As on March 31, 2022, there were no outstanding warrants to be convertible into equity shares. The Company has not issued any GDRs/ ADRs or any other convertible instruments.

**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, 2022, 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	NA
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 terms of requirements of clause 17(8) of SEBI (LODR) Regulations, 2015, the Managing Director (MD) and the Chief Financial Officer (CFO) have furnished certificate to the Board in the prescribed format for the year ended 31st March 2022, which is annexed to this report.

## 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, 2022, there were no proceeds from public issues, rights issues, preferential issues etc..

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.

The 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**

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.

## **18. Complaints Pertaining to Sexual Harassment**

The details pertaining to the Complaints on sexual harassment has been mentioned elsewhere in the Board Report

## **19. Details Of Consolidated Fees Paid To The Statutory Auditors**

The details of the total fees for all the services paid by the Company and its Subsidiaries on a consolidated basis to the statutory auditors and all the entities in the network firm/network entity of which the statutory auditor is apart: Rs 15,00,000/-.



**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, 2022 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: September 02, 2022

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, 2022 as envisaged in the chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Southern Online Bio Technologies Limited**

Date: September 02, 2022

Place: Hyderabad

Sd/-

**Dr Devaiah Pagidipati**  
Chairman & Managing Director

To  
The Members  
M/s. Southern Online Bio Technologies Limited  
Hyderabad

**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, 2022, 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.

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.S. Rao & Associates**  
Company Secretaries

Place: Hyderabad  
Date: September 03, 2022

Sd/-  
**Jineshwar Kumar Sankhala**  
FCS No. 21697, C P No. 18365  
UDIN: A021697D000907991

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

#### Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of **SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, 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 significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described

below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Contingent Liabilities</b></p> <p><b>Assessment of contingent liabilities and provisions for litigations.</b></p> <ol style="list-style-type: none"> <li>1. A case with ref of IA (IBC)/320/2021, CP(IB) No.343/7/HDB/2018 was filed by the company against Bank of India for withholding an amount of Rs. 27,74,327/- which is receivable by the company and Non-Removal of Mortgage of Company Assets etc.,</li> <li>2. Company paid an amount of Rs. 29,69,421/- to the Electricity Department of APEPDCL as Conditional Deposit towards dues pertaining earlier to E-auction date.</li> <li>3. Company Filed Writ Petition in High Court of Andhra Pradesh, Amaravathi towards deposit paid for an amount of Rs. 20.00 Lakhs without prejudice to the contention that no amount is payable., there shall be interim direction to the APIIC &amp; APSEZ (APIIC – Visakhapatnam) to issue a “No Objection Certificate” for allowing the Company operations.</li> </ol> <p>The Company exercises significant judgment to determine the possible outcome of these disputes and the necessity of recognizing a provision against the same. The management's assessment is supported by advice obtained by them from independent legal/ tax consultants. We considered this as a Key Audit Matter as the eventual outcome of litigations is uncertain and the positions taken by the Management are based on the application of significant judgement and estimation. Any unexpected adverse outcomes could impact the Company's financial performance and financial position.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Testing design and implementation of key controls surrounding litigation, regulatory and tax procedures and assessment of probable outflow;</li> <li>• Discussing with the management and the Company's tax and regulatory department heads to understand significant matters under litigation</li> <li>• Obtaining and substantively testing evidences to support the management's assessment and rationale for provisions made or disclosures of contingent liabilities</li> <li>• Evaluating independence, objectivity and competence of the management's tax/ legal consultants;</li> <li>• Performing detailed procedures on the underlying calculations supporting the provisions recorded and ensuring adequacy of disclosures made</li> <li>• Assessing the appropriateness of the disclosures made in financial statements.</li> </ul> <p>Based on the above procedures performed, we have not identified any significant exceptions relating to disclosure of contingent liabilities and accounting for provisions for litigations</p>

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 control relevant to the audit in order to design audit procedures that are 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 the 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 standalone 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 standalone 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 Section 143(3) of the Act, based on our audit we 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 purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is



disqualified as on March 31, 2022 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 A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 litigations on its financial position in its standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity

(“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been declared by the company during the year.

2. As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Darapaneni & Co.,**  
Chartered Accountants  
Firm’s Registration No. 000685S

**D.C Naidu**  
Partner  
Membership No.024643  
UDIN: 22024643AJIECL4440

Place: Hyderabad  
Date: 20/05/2022

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT of even date on the standalone INDAS Financial Statements of M/s SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)**

We have audited the internal financial controls over financial reporting of **M/s SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** (the “Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Management of the Company 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 (the “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 of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform 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 judgement, including the assessment of the risks 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 on the Company's internal financial controls 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 those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations 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 detected. 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, to the best of our information and according to the explanations given to us, the Company has, 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, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

**For Darapaneni & Co.,**  
Chartered Accountants  
Firm's Registration No. 000685S

**D.C Naidu**  
Partner  
Membership No.024643  
UDIN: 22024643AJIECL4440

Place: Hyderabad  
Date: 20/05/2022

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT issued to the Members of SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED of even date**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company does not have any Intangible Assets during the year. Hence reporting under clause 3(i)(a)(B) is not applicable.
  - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of lease agreement for land / Registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
  - a. The Company has not provided any loans and advances in the nature of loans or stood

- guarantee or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- b. The company has not made any investments made during the year, hence reporting under clause 3(iii)(b) of the order is not applicable.
  - c. In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
  - d. In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
  - e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
  - f. The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - a. In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- b. There are no dues of Income Tax or Sales Tax or Service Tax or Duty of customs or duty of Excise or Value added tax or GST, which have not been deposited on account of any dispute.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
  - (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
  - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
  - (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x.
  - (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi.
  - (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.



- (c) The company has not received any whistle-blower complaints during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.  
(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. During the Year M/s PCN & Associates have resigned as Statutory Auditors of the company. No issues, Objections or Concerns were raised by the outgoing auditors.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- XX. (a) The company has not met the applicability criteria of Corporate Social Responsibility (CSR), so the company is not required to meet the obligations of Corporate Social Responsibility in accordance with the provisions of Section 135 of the Companies Act, 2013.

**For Darapaneni & Co.,**  
Chartered Accountants  
FRN. 000685S

**D.C Naidu**  
Partner  
Membership No.024643  
UDIN: 22024643AJIECL4440

Place: Hyderabad  
Date: 20/05/2022

# Standalone Financial Statements

<b>Standalone Balance sheet for the year ended as at 31st March 2022</b>			
<b>Particulars</b>	<b>Notes</b>	<b>As at 31st Mar, 22 (Audited)</b>	<b>As at 31st March, 21 (Audited)</b>
<b>Assets</b>		<b>Rs. Lakhs</b>	<b>Rs. Lakhs</b>
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	5,135.68	5,155.40
(b) Capital Work in Progress	3	2,183.64	355.04
(c) Financial assets			
(i) Loans and advances	4	82.10	276.46
(ii) Non-Current Investments	5	-	34.31
(iii) Other Financial Assets	6	193.91	255.42
(c) Other non-current assets	7	-	-
<b>Total Non - Current Assets</b>		<b>7,595.33</b>	<b>6,076.63</b>
<b>(2) Current assets</b>			
(a) Inventories	8	430.54	214.11
(b) Financial assets			
(i) Trade receivables	9	277.85	162.39
(ii) Cash and cash equivalents	10	52.47	93.90
(iii) Loans and advances	11	3.84	16.56
(c) Other current assets	12	325.41	47.39
<b>Total Current Assets</b>		<b>1,090.11</b>	<b>534.35</b>
<b>Total assets</b>		<b>8,685.44</b>	<b>6,610.97</b>
<b>Equity and liabilities</b>			
<b>(1) Equity</b>			
(a) Share capital	13	4,500.00	4,500.00
(b) Other equity	14	513.60	490.77
<b>Total Equity</b>		<b>5,013.60</b>	<b>4,990.77</b>
<b>(2) Share application money, pending allotment</b>			-
<b>Liabilities</b>			
<b>(3) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15	3,329.98	987.12
(b) Deferred tax (net)	16	256.66	256.66
<b>Total Non - Current Liabilities</b>		<b>3,586.64</b>	<b>1,243.78</b>
<b>(4) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings			-
(ii) Trade payables	17	14.85	320.04
(A) MSME		-	-
(B) Others		14.85	320.04
(C) Disputed dues – MSME		-	-
(D) Disputed dues – Others		-	-
(b) Other current liabilities	18	70.35	56.38
(c) Provisions		-	-
<b>Total Current Liabilities</b>		<b>85.20</b>	<b>376.42</b>
<b>Total Liabilities</b>		<b>3,671.84</b>	<b>1,620.20</b>
<b>Total Equity and Liabilities</b>		<b>8,685.44</b>	<b>6,610.97</b>

AS PER OUR REPORT OF EVEN DATE

**For Darapaneni and Co.,**

Chartered Accountants

FRN: 000685S

**For Southern Online Bio Technologies Limited****D C Naidu**

Partner

Membership No: 024643

**Dr. Pagidipati Devaiah**

Chairman &amp; Managing Director

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

Place : **Hyderabad**

Date : May 20, 2022

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Rohit Tibrewal**

Company Secretary

<b>Statement of Profit and Loss for the year ended as at 31st March, 2022</b>		<b>(Rs. Lakhs)</b>	
<b>Particulars</b>	<b>Notes</b>	<b>As on 31st March, 2022 (Audited)</b>	<b>As on 31st March, 2021 (Audited)</b>
<b>(1) Revenue from operations</b>			
(a) Revenue from Operations	19	248.42	214.47
(b) Other income	20	11.51	6.52
<b>Total Income (a+b)</b>		<b>259.93</b>	<b>220.99</b>
<b>(2) Expenditure</b>			
(a) Cost of materials consumed	20	148.15	-
(b) Changes in inventories of finished goods and work-in-progress	21	(148.15)	-
(c) Employee benefits expenses	22	35.43	34.23
(d) Finance costs	23	0.08	1.53
(e) Depreciation and amortisation expenses	24	21.88	20.85
(f) Other expenses	25	179.57	114.88
<b>Total Expenses</b>		<b>236.96</b>	<b>171.49</b>
<b>(3) Profit /(loss) before exceptional items and tax</b>		<b>22.97</b>	<b>49.50</b>
(4) Exceptional items		-	-
<b>(5) Profit /(loss) before tax</b>		<b>22.97</b>	<b>49.50</b>
<b>(6) Tax expenses</b>			
(a) Current tax		-	-
(b) Deferred tax		-	(3.54)
<b>(7) Profit /(loss) for the year</b>		<b>22.97</b>	<b>45.97</b>
<b>(8) Other comprehensive income</b>			
(A) Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans		(0.14)	
(ii) Income tax relating to these items			-
(B) Items that will be reclassified to profit or loss			
(i) Remeasurement of defined benefit plans			
(ii) Income tax relating to these items			
<b>Other comprehensive income for the year</b>		<b>(0.14)</b>	-
<b>(9) Total comprehensive income for the year</b>		<b>22.83</b>	<b>45.97</b>
<b>(10) Earnings per equity share of face value of ₹ 10 each</b>			
Basic (in ₹)		0.05	0.10
Diluted (in ₹)		0.05	0.10

AS PER OUR REPORT OF EVEN DATE

**For Darapaneni and Co.,**

Chartered Accountants

FRN: 000685S

**For Southern Online Bio Technologies Limited****D C Naidu**

Partner

Membership No: 024643

**Dr. Pagidipati Devaiah**

Chairman &amp; Managing Director

(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**

Director

(DIN: 00295323)

Place : **Hyderabad**

Date : May 20, 2022

**Mr. U U V Ravikanth**

Chief Financial Officer

**Mr. Rohit Tibrewal**

Company Secretary

<b>Audited Standalone Cash Flow Statement as at March 31st, 2022</b>		<b>Rs. Lakhs</b>
<b>Particulars</b>	<b>As on 31st March, 2022 (Audited)</b>	<b>As on 31st March, 2021 (Audited)</b>
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) Before Tax	22.97	49.50
Adjustments for:		
Depreciation	21.88	20.85
OCI relating to Re-measurement of Defined benefit plans	(0.14)	
Interest and other Charges on loans	0.08	1.53
Loss/ (profit) on sale of property, plant and equipment		
Operating profit before working capital changes	<b>44.80</b>	<b>71.88</b>
Adjustments for:		
Trade receivables	(115.46)	7.50
Inventory	(216.43)	
Short-term loans and advances	12.72	(58.92)
Non-current Assets	61.50	
Other current assets	(278.03)	
Long-term loans and advances	194.36	
Trade and other payables	(305.19)	215.82
Other current liabilities	13.97	
Cash generated from operations	<b>(587.76)</b>	<b>236.28</b>
Cash flow before extraordinary items & Prior period adjustments	<b>(587.76)</b>	<b>236.28</b>
Tax paid		
Net cash flow from operating activities	<b>(587.76)</b>	<b>236.28</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of property, plant and equipment, intangible assets (Including capital work in progress)	(1,830.76)	(360.98)
(Purchase)/Sales of Investments	34.31	14.03
Net cash used in investing activities	<b>(1,796.45)</b>	<b>(346.95)</b>
<b>C. Cash Flow from Financing Activities:</b>		
Proceeds from Unsecured Loans	2,342.86	198.57
Payment of Interest and other Charges on loans	(0.08)	(1.53)
Net cash flow from financing activities	<b>2,342.78</b>	<b>197.04</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(41.43)</b>	<b>86.37</b>
Opening cash and cash equivalents	93.90	7.53
<b>Closing cash and cash equivalents</b>	<b>52.47</b>	<b>93.90</b>

AS PER OUR REPORT OF EVEN DATE

**For Darapaneni and Co.,**  
Chartered Accountants  
FRN: 000685S

**For Southern Online Bio Technologies Limited**

**D C Naidu**  
Partner  
Membership No: 024643

**Dr. Pagidipati Devaiah**  
Chairman & Managing Director  
(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**  
Director  
(DIN: 00295323)

Place : **Hyderabad**  
Date : May 20, 2022

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

**Mr. Rohit Tibrewal**  
Company Secretary

## 2.1 Property, plant and equipment

Particulars	Rs. Lakhs								
	Land	Buildings @60 Years	Buildings @30 Years	Plant & Machinery	Office Equipment	Computers	Furniture's	Vehicles	Total
<b>Gross carrying value</b>									
<b>As at 1st April, 2021</b>	546.49	58.47	1,509.33	7,793.53	49.01	925.55	60.40	31.93	10,974.72
Additions	-	-	-	-	-	2.16	-	-	2.16
Deletions	-	-	-	-	-	-	-	-	-
<b>As at 31st march, 2022</b>	<b>546.49</b>	<b>58.47</b>	<b>1,509.33</b>	<b>7,793.53</b>	<b>49.01</b>	<b>927.71</b>	<b>60.40</b>	<b>31.93</b>	<b>10,976.88</b>
<b>Accumulated Depreciation</b>									
<b>As at 1st April, 2021</b>	-	12.98	415.42	4,336.66	49.00	920.73	58.94	25.58	5,819.32
Additions	-	0.31	-	19.37	-	2.21	-	-	21.88
Deletions	-	-	-	-	-	-	-	-	-
<b>As at 31st march, 2022</b>	<b>-</b>	<b>13.28</b>	<b>415.42</b>	<b>4,356.03</b>	<b>49.00</b>	<b>922.94</b>	<b>58.94</b>	<b>25.58</b>	<b>5,841.20</b>
<b>Net Carrying amount</b>									
<b>As at 1st April, 2021</b>	<b>546.49</b>	<b>45.49</b>	<b>1,093.91</b>	<b>3,456.87</b>	<b>(0.00)</b>	<b>4.82</b>	<b>1.46</b>	<b>6.35</b>	<b>5,155.39</b>
<b>As at 31st march, 2022</b>	<b>546.49</b>	<b>45.19</b>	<b>1,093.92</b>	<b>3,437.50</b>	<b>0.00</b>	<b>4.77</b>	<b>1.46</b>	<b>6.35</b>	<b>5,135.68</b>

- (i) **Leased Assets** : The lease term in respect of assets acquired under finance leases expires within 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.

**3. Capital work in progress**

Rs. Lakhs

Particulars	Amount
<b>Gross carrying value</b>	
As at 1st April, 2021	355.04
Additions	1,828.59
Transfers	-
<b>As at 31st March, 2022</b>	<b>2,183.64</b>
<b>Net Carrying amount</b>	
As at 1st April, 2020	-
As at 31st March, 2021	<b>355.04</b>

Particulars	1-2 years	< 1 year	2-3 years	Total
Projects in progress	355.04	1,828.59		2,183.63
<b>Total</b>	<b>355.04</b>	<b>1,828.59</b>	-	<b>2,183.63</b>



**Note 4: Loans and advances(Non-current)**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
a) Other loans and advances recoverable in cash or kind or for value to be received		
Unsecured, Considered Good	-	(0.00)
b) Capital Advances	-	
c) Security Deposits	82.10	276.46
	-	-
<b>Total</b>	<b>82.10</b>	<b>276.46</b>

**Note 5: Non-Current Investments**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Investments designated at Cost</b>		
Fully paid Equity shares (unquoted)	-	-
Equity shares	-	
Southern Biofe Biofuels Private Limited - 3,43,200 Shares at Rs. 10/- Per Face Value	-	34.31
	-	-
<b>Total</b>	<b>-</b>	<b>34.31</b>

**Note 6: Other Financial Assets**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
a) Other loans and advances	44.53	
b) Others (Retention Money)	149.38	255.42
	-	-
<b>Total</b>	<b>193.91</b>	<b>255.42</b>

**Note 7: Other Noncurrent assets**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Unsecured, considered good</b>		
Taxes refundable:	-	-
Income tax	-	
Security Deposits	-	-
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 8: Inventories**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Work-in-progress	362.26	214.11
Raw Material	68.28	-
	-	-
<b>Total</b>	<b>430.54</b>	<b>214.11</b>

**Note 9: Trade Receivables**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Unsecured, considered good</b>		
Debts outstanding for a period exceeding six months form due date	-	1.93
Debts outstanding for a period not exceeding six months form due date	22.43	11.08
other debts	255.42	149.38
	-	-
<b>Total</b>	<b>277.85</b>	<b>162.39</b>

Rs. Lakhs

Particulars	<6 months	6 months-1 Year	1-2 years	2-3 years	> 3 years	Total
Undisputed Trade receivables - considered goods	22.43	-	-	-	255.42	<b>277.85</b>
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
Disputed Trade Receivables- considered goods	-	-	-	-	-	-
Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>22.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255.42</b>	<b>277.85</b>

**Note 10: Cash and Cash Equivalents**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
a) Balance with Banks:		
In Deposit Account	-	-
In Current Account	52.47	93.70
b) Cash on Hand	-	0.20
	-	-
<b>Total</b>	<b>52.47</b>	<b>93.90</b>

**Note 11: Loans and advances(current)**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Advances to Suppliers	0.42	16.56
Salary advances	3.42	-
	-	-
<b>Total</b>	<b>3.84</b>	<b>16.56</b>

**Note 12: Other current assets**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Prepaid Expenses	3.49	0.43
TDS Receivable	38.09	33.37
Taxes refundable	-	-
Goods & service tax (GST)	283.65	12.78
Others	0.19	0.81
	-	-
<b>Total</b>	<b>325.41</b>	<b>47.39</b>

**Note 13: Share capital**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Equity Share capital</b>		
a) Authorized		
Equity shares of ₹ 10/- each	7,500.00	7,500.00
b) Issued, subscribed & fully paid up	4,500.00	4,500.00
<b>Total</b>	<b>4,500.00</b>	<b>4,500.00</b>

Rs. Lakhs

Description	No of Shares – Mar 31st, 2022	No of Shares – Mar 31st, 2021	Percentage	Change In Percentage
(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	4,49,94,000	99.9867%	0.00%
(b) Share Holder - Dr. Rudramma Devi Pagidipati - No of Shares (C.Y) 1,000 and No of Shares (P.Y) 0	1,000	1,000	0.0022%	0.00%
(c) Share Holder - Mr. Brij Mohan Mandala - No. of Shares (C.Y) 1,000, No. of Shares (P.Y) 0.	1,000	1,000	0.0022%	0.00%
(d) Share Holder - Mr. Rajasekhar Gopalajosyula - No. Of Shares (C.Y) 1,000, No of Shares (P.Y) 0.	1,000	1,000	0.0022%	0.00%
(e) Share Holder -Mr. Gottipati Venkata Rama Krishna Prasad - No. Of Shares 1,000, No of Shares (P.Y) 0.	1,000	1,000	0.0022%	0.00%
(f) Share Holder -Mr. Raghuram Garimella - No. Of Shares 1,000, No of Shares (P.Y) 0.	1,000	1,000	0.0022%	0.00%
(g) Share Holder - Mr. Komma Reddy Fatima Reddy - No. Of Shares (C.Y) 1,000, No of Shares (P.Y) 0.	1,000	1,000	0.0022%	0.00%

**Note 14:Other equity**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Reserve &amp; surplus</b>		
a) Surplus in statement of profit & loss Balance at the beginning of the year	490.77	444.80
Transferred from Capital Reserve		
Net profit / (net loss) for the current year	22.83	45.97
Closing Balance	<b>513.60</b>	<b>490.77</b>
	-	-
<b>Total</b>	<b>513.60</b>	<b>490.77</b>

**Note 15:Long term borrowings**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Unsecured</b>		
From Directors	3,118.83	875.97
From Others	211.15	111.15
Lease Liabilities	-	-
	-	-
<b>Total</b>	<b>3,329.98</b>	<b>987.12</b>

**Note 16:Deferred tax Liability**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Deffered Tax Liability	256.66	256.66
	-	-
<b>Total</b>	<b>256.66</b>	<b>256.66</b>

**Note 17:Trade payables**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Unsecured, considered good</b>		
Micro Small & Medium Enterprises Development (MSMED) Act, 2006	-	-
Other than to Micro Small & Medium Enterprises	14.85	320.04
	-	-
<b>Total</b>	<b>14.85</b>	<b>320.04</b>

Outstanding for following periods from due date of payment

Description - Mar 31st, 2022	Rs. Lakhs				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	14.85	-	-	-	14.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
<b>Total</b>	<b>14.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.85</b>

Outstanding for following periods from due date of payment

Description - Mar 31st, 2021					Rs. Lakhs
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	299.50				299.50
(ii) Others	20.54				20.54
(iii) Disputed dues – MSME					-
(iv) Disputed dues – Others					-
<b>Total</b>	<b>320.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>320.04</b>

**Note 18:Other current liabilities**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Other payables		
Statutory liabilities	-	(0.00)
Tds Payable	14.37	11.00
Gst Payable	0.35	
PF/ESI Payable	1.39	0.83
Professional Tax Payable	0.05	0.02
Property Tax Payable	0.86	2.59
Advance Received from Customers	8.49	1.50
License fees payable	27.86	26.84
Outstanding Expenses Payable	2.86	2.30
Security deposits	-	-
Provision for Gratuity	1.15	
Provision for Leave Encashment	1.87	
Provision for Sick Leave	-	
Salaries payable	11.10	11.30
Other payables	-	(0.00)
Statutory liabilities	14.37	11.00
	-	-
<b>Total</b>	<b>70.35</b>	<b>56.38</b>

**Note 19:Revenue from sale of products**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Sale of Services</b>		
Revenue from Internet Services	248.42	214.47
	-	-
<b>Total</b>	<b>248.42</b>	<b>214.47</b>

**Note 20:Other income**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Other non operative income</b>		
<b>Sales of Products</b>		
Batteries		0.41
Interest Income	0.20	-
Rental Income	8.40	6.11
Liabilities Written Back	0.66	-

Prior Period Income	2.23	-
Profit On Sale Of Investments	0.01	-
	-	-
<b>Total</b>	<b>11.51</b>	<b>6.52</b>

**Note 20: Cost of materials consumed**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Opening Raw Material		
Add:		
Sub Contractor Works	148.15	-
Purchases	68.28	
	216.43	
Less: Closing Raw Material	(68.28)	-
	-	-
<b>Total</b>	<b>148.15</b>	<b>-</b>

**Note 21: Changes in inventories of finished goods and work-in-progress**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Closing balance		
Finished goods		
Work In Progress	362.26	214.11
	362.26	214.11
Opening stock		
Finished goods		
Work In Progress	214.11	214.11
<b>Total</b>	<b>(148.15)</b>	<b>-</b>

**Note 22: Employee benefits expenses**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Salaries and wages	27.63	31.29
Contribution to provident and other funds	5.73	0.87
Staff welfare	2.07	2.07
Salaries and wages	27.63	31.29
Contribution to provident and other funds	5.73	0.87
<b>Total</b>	<b>35.43</b>	<b>34.23</b>

**Note 23: Finance costs**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Interest on borrowings	0.02	0.03
Other Bank Charges	0.06	0.07
Interest on Lease liabilities	-	-
Interest on statutory dues	-	1.43
<b>Total</b>	<b>0.08</b>	<b>1.53</b>

**Note 24: Depreciation and amortisation expenses**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Depreciation and Amortisation	21.88	20.85
<b>Total</b>	<b>21.88</b>	<b>20.85</b>

**Note 25: Other expenses**

Rs. Lakhs

Particulars	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Business & sales promotion	-	0.98
Auditor's remuneration	1.50	1.50
Commission paid	-	0.27
License Fee	-	-
Communication expenses	-	1.16
Office Maintenance	2.02	1.51
Internet Bandwidth Charges	148.06	92.57
Professional charges	-	-
Bad Debts Written Off	0.30	-
Prior Period Expenses	-	0.11
Insurance Amortisation Expenses	0.38	-
Miscellaneous expenses	0.02	1.34
Annual Subscription Charges	1.55	-
Power & Fuel	5.60	6.89
Security Charges	-	-
Postage & Telephone	1.09	-
Rent	3.18	3.79
Repairs and maintenance	-	-
Machinery	-	0.06
Buildings	-	-
Others	1.72	1.17
Rates and taxes	13.56	3.21
Travelling and Conveyance expense	0.36	0.08
Advertisement	-	-
Printing & Stationery & Postage	0.04	-
Vehicle maintenance	-	0.25
Normal Loss ( Raw Material)	0.19	-
<b>Total</b>	<b>179.57</b>	<b>114.88</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>, 2022****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 & Telangana. 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.

Company expanded the facilities from 30 TPD to 40 TPD and also carrying the refurbishment activities in the Samsthan Narayanapur Unit, Samsthan Narayanapur Village, Yadadri Bhongir District, 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 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 based on each category of investments.

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd *	99.97 % Subsidiary

**\*Note: The said investment of Southern Biofe Biofuels Private Limited disinvested on March 31<sup>st</sup>, 2022. Considering the same Consolidated Financials not essential.**

### 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 held today 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	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	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	1,000
3	Mr. Brijmohan Venkata Mandala 7-1-35-35/A, Flat No-405, Viswa Swapnika Apartment, Shyam Karam Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	1,000
4	Mr. Rajasekhar Gopalajosyula 1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080	1,000
5	Mr. Gottipati Venkata Rama Krishna Prasad 1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist-521137 Andhra Pradesh	1,000
6	Mr. Raghuram Garimella 4-11-31, Himagiri Colony, Road No-3, GandamGuda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091	1,000
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	1,000

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 based on 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 based on an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement because 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.

## **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.

## 26 . 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. 0.00 Lakhs.

## 27 . Investments

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Investments designated at Cost</b>		
Fully paid Equity shares (unquoted)	-	-
Equity shares	-	-
Southern Biofe Biofuels Private Limited - 3,43,200 Shares at Rs. 10/- Per Face Value	-	34.31
	-	-
<b>Total</b>	<b>-</b>	<b>34.31</b>

**\*Note: The said investment of Southern Biofe Biofuels Private Limited disinvested on March 31<sup>st</sup>, 2022. Considering the same Consolidated Financials not essential.**

No other investments were made by the company.

## 28 . 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, Operators, Educational Institutions, Cyber Cafes, & Individual etc.,

The Bio Diesel division manufactures the Bio Diesel.

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

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

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

*Note: Currently the Company operates in single segment namely 'Internet Service Provider Division' whereas another segment i.e 'Bio Diesel Manufacturing' is not operational since last two years.*

**Geographical segments**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Sale of Services</b>		
India	248.42	214.47
Outside India	-	-
<b>Total</b>	<b>248.42</b>	<b>214.47</b>

**29 . 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.

**30 . Foreign Exchange Earnings**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
<b>Foreign Exchange Earnings</b>		
Export of Goods /Services	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**31 . Foreign Exchange Outflow**

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
For Purchases	-	-
For Investment in Subsidiary	-	-
For Subsidiary maintenance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**32 . 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	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Salary & Allowances (Whole Time Director)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 33 . Remuneration to Auditors

Particulars	Rs. Lakhs	
	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Audit Fees	1.50	1.50
<b>Total</b>	<b>1.50</b>	<b>1.50</b>

### 34 . Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st, March, 2022 such parties and transactions are identified as per Accounting Standard 18

The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary (Till March 31 <sup>st</sup> , 2022)
E Vaidya 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. Details of transactions with related parties during the year**

Rs. Lakhs

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar, 2022 (12 months)	Mar 31, 2021	Mar, 2022 (12 months)	Mar 31, 2021	Mar, 2022 (12 months)	Mar 31, 2021
<b>Received from services and others</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	23.43	50.45	23.43	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>Total</b>	-	-	<b>23.43</b>	<b>50.45</b>	<b>23.43</b>	<b>50.45</b>
<b>Interest on Trade receivables</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private 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>Received from Sale of Capital assets</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	34.32	-	34.32	-
(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>34.32</b>	-	<b>34.32</b>	-

**Related party relationships, transactions and balances:**

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar, 2022 (12 months)	Mar 31, 2021	Mar, 2022 (12 months)	Mar 31, 2021	Mar, 2022 (12 months)	Mar 31, 2021
<b>Related party relationships, transactions and balances:</b>						
<b>Purchases/Services</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private 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	-	-	174.82	-	174.82	-
<b>Total</b>	-	-	<b>174.82</b>	-	<b>174.82</b>	-
<b>PPE - Nalgonda Factory Re-furbishment</b>						
(a) Sathwik Projects Private Limited*	-	-	1,470.27	70.00	1,470.27	70.00
<b>Total</b>	-	-	<b>1,470.27</b>	<b>70.00</b>	<b>1,470.27</b>	<b>70.00</b>
<b>Paid for services</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private 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>Remuneration</b>						
(a) Dr. Devaiah Pagidipati	-	-	-	-	-	-
(b) Mr. Brijmohan Venkata Mandala	-	-	-	-	-	-
(c) Mr. Yalamanchili Rao Madana Mohana	-	-	-	-	-	-
(d) Mrs. Divya Sunitha Raj Burra	-	-	-	-	-	-
(e) Mr. Kolli Srikanth Reddy (Appointed on 13/11/2020 & Resigned on 30/09/2021.)	5.52	4.50	-	-	5.52	4.50
(f) Mrs. K Ramyanka Yadav Membership # A45483 (Appointed on Nov 12, 2021 & Resigned on April 18, 2022)	3.48	-	-	-	3.48	-
(g) Mr U U V Ravikanth (Appointed on 13/11/2020 - PAN : AAUPU7015K)	8.64	4.20	-	-	8.64	4.20
<b>Total</b>	<b>17.64</b>	<b>8.70</b>	-	-	<b>17.64</b>	<b>8.70</b>
<b>Interest Expenses - Unsecured Loan</b>						
(a) Dr. Devaiah Pagidipati	218.82	89.19	-	-	218.82	89.19
<b>Total</b>	<b>218.82</b>	<b>89.19</b>	-	-	<b>218.82</b>	<b>89.19</b>
<b>Sitting Fees</b>						
(a) Dr. Devaiah Pagidipati	-	-	-	-	-	-
(b) Mr. Brijmohan Venkata Mandala	-	-	-	-	-	-
(c) Mr. Yalamanchili Rao Madana Mohana	-	-	-	-	-	-
(d) Mrs. Divya Sunitha Raj Burra	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

\* Inclusive of GST

**Related party relationships, transactions and balances:  
Transactions during the year**

Nature of Transactions	Key Managerial Personnel and their relatives		Enterprise over which the Key Managerial Personnel have significant influence		Total	
	Mar, 2022 (12 months)	Mar 31, 2021	Mar, 2022 (12 months)	Mar 31, 2021	Mar, 2022 (12 months)	Mar 31, 2021
<b>Sales net of discount/incentives</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	35.06	50.45	35.06	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>Total</b>	-	-	<b>35.06</b>	<b>50.45</b>	<b>35.06</b>	<b>50.45</b>
<b>Sale of Capital Assets/(Investments)</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private Limited	-	-	-	-	-	-
(c) E Vaidya Private Limited	-	-	34.32	-	34.32	-
(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>34.32</b>	-	<b>34.32</b>	-
<b>Purchases</b>						
(a) Southern Biofe Biofuels Private Limited	-	-	-	-	-	-
(b) Bheem Online Services Private 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>	-	-	-	-	-	-

**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	
	As on Mar 31, 2022	Mar 31, 2021	As on Mar 31, 2022	Mar 31, 2021	As on Mar 31, 2022	Mar 31, 2021
<b>Assets</b>						
<b>Investments / Receivables</b>						
(a) Southern Biofe Biofuels Private Limited		-	14.06	48.37	14.06	48.37
(b) Bheem Online Services Private Limited		-	0.02	0.02	0.02	0.02
(c) E Vaidya Private Limited		-	11.22	-	11.22	-
(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>25.31</b>	<b>259.77</b>	<b>25.31</b>	<b>259.77</b>
<b>Liabilities</b>						
(a) Southern Biofe Biofuels Private Limited		-	-	-	-	-
(b) Bheem Online Services Private 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		-	6.17	299.50	6.17	299.50
<b>Total</b>	-	-	<b>6.17</b>	<b>299.50</b>	<b>6.17</b>	<b>299.50</b>
<b>Payables to Key Managerial Personnel</b>						
(a) Dr. Devaiah Pagidipati*	3,118.83	875.97	-	-	3,118.83	875.97
(b) Mr. Brijmohan Venkata Mandala	-	-	-	-	-	-
(c) Mr. Yalamanchili Rao Madana Mohana	-	-	-	-	-	-
(d) Mrs. Divya Sunitha Raj Burra	-	-	-	-	-	-
(e) Mr. Kolli Srikanth Reddy (Appointed on 13/11/2020 & Resigned on 30/09/2021.)	-	-	-	-	-	-
(f) Mrs. K Ramyanka Yadav Membership # A45483 (Appointed on Nov 12, 2021 & Resigned on April 18, 2022)	0.06	-	-	-	0.06	-
(g) Mr U U V Ravikanth (Appointed on 13/11/2020 - PAN : AAUPU7015K)	0.44	0.70	-	-	0.44	0.70
<b>Total</b>	<b>3,119.33</b>	<b>876.67</b>	-	-	<b>3,119.33</b>	<b>876.67</b>

### 35 .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	As at 31st Mar, 22	As at 31 <sup>st</sup> Mar, 21
Profit available for the equity share holders (Rs)	22.97	45.97
No. of shares outstanding for EPS-Basis	4,50,00,000	4,50,00,000
No. of shares outstanding of EPS-Diluted	4,50,00,000	4,50,00,000
Basic	0.05	0.10
Diluted	0.05	0.10

36 .As per the Confirmation of balances obtained as at March 31, 2022 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.

### 37 . Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs.20,00,000/- as on 31.03.2022, 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.

### 38. Legal Cases Filled by Company

- Company Filled Case Against Bank of India regards to the certain refunds of Rs. 27,74,327 /- and Improper reporting with Credit Agencies, Non Removal of Mortgage of Company Assets etc., with ref of IA (IBC)/320/2021, CP(IB) No.343/7/HDB/2018.
- Company Paid towards Electricity Department of APEPDCL to an amount of Rs. 29,69,421 / - towards earlier dues pertaining to E-Auction which were treated as Conditional Deposit
- Company Filed Writ Petition in High Court of Andhra Pradesh of Amaravathi. The Company paid deposit to an amount of Rs. 20.00 Lakhs without prejudice to his contention that no amount is payable., there shall be interim direction to the APIIC & APSEZ (APIIC – Visakhapatnam) to issue a “No Objection Certificate” for allowing the Company operations.
- Before Liquidation proceedings** – Dy. Controller of Communication Accounts (LF), Hyderabad with “subject: SHORT PAYMENT OF QUARTERLY LF Dated: 25th July, 2017” on 29th July, 2017. Accordingly, to them Under Erstwhile Management, Company made short payments of quarterly license fee @8% Rs.98,50,849/- against Pass through charges claimed by Company to the tune of Rs.12,31,35,614/-. The said department communicated to Company to pay Rs.98,50,849/- along

with applicable Interest against the same. Company approached The Hon'ble TDSAT vide Telecommunication Petition No. 77 of 2017. The Hon'ble TDSAT through an interim order declined to stop DOT from taking any cohesive steps like en-cashing the bank guarantees given by SBTL to DOT unless Company pay 50% of the amount demanded by DOT until the matter is decided by The Hon'ble TDSAT. DOT has en-cashed the said bank guarantee. However, Company approached the Hon'ble Delhi High court against the interim order of The Hon'ble TDSAT.

Later 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.

The said NCLT Passed orders stating that in the interim Order CP(IB)343/7/HDB/2018, Page No 3, 2 (d), IA.No 1038/2019 in CP(IB) No 343/7/HDB/2018 stating that **"A Direction be issued that the cases pending / decreed against the Corporate debtor by any court and / or tribunal and / or any quasi – judicial authority will not be enforced against the applicant or the corporate debtor"**

The same representation has been shared to the Competitive Authorities & DOT and waiting for their reply.

### 39. Details of Security:

**No Securities offered**

### 40 . Physical verification for fixed assets:

Physical Verification of the fixed assets aggregating to 5,135.68 Lakhs (WDV as on March 31, 2022) and inventory aggregating to 430.54 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.

### 41. Key Financial Ratios:

Particulars	Unit of Measurement	March 31, 2022	March 31, 2021	Variation in %	Formulae
Current Ratio	In multiple	12.80	1.42	801.37	Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)
Debt-Equity Ratio	In multiple	0.66	0.20	235.81	Debt-Equity Ratio = Total Debt / Total Equity
Debt Service Coverage Ratio	In multiple	NA	NA	-	Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment + Gross Interest on term loans)
Return on Equity Ratio	In %	0.00	0.01	(50.67)	Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
Inventory Turnover Ratio	In Days	473.58	364.38	29.97	Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)

Trade receivables Turnover Ratio	In Days	323.42	282.75	14.38	Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)
Trade payables Turnover Ratio	In Days	246.02	376.29	(34.62)	Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)
Net Working Capital Turnover Ratio	In Days	550.98	270.84	103.44	Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)
Net Profit Ratio	In %	0.09	0.21	(56.85)	Net Profit Ratio = Net Profit / Net Revenue
Return on Capital Employed	In %	0.00	0.01	(59.38)	Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
Return on Investment (Assets)	In %	0.00	0.01	(62.19)	Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

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

43 .The figures have been rounded off to the nearest rupee.

AS PER OUR REPORT OF EVEN DATE

**For Darapaneni and Co.,**  
Chartered Accountants  
FRN: 000685S

**For Southern Online Bio Technologies Limited**

**D C Naidu**  
Partner  
Membership No: 024643

**Dr. Pagidipati Devaiah**  
Chairman & Managing Director  
(DIN: 05147621)

**Mr. Brij Mohan Venkata Mandala**  
Director  
(DIN: 00295323)

Place : **Hyderabad**  
Date : May 20, 2022

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

**Mr. Rohit Tibrewal**  
Company Secretary



**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:

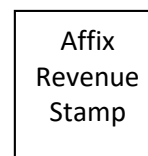
Signature: \_\_\_\_\_

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 24<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, September 30, 2022 at 02.00 P.M 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) of the Company for the year ended 31 March 2022 including Audited Balance Sheet as at 31 March 2022, 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 Dr Devaiah Pagidipati (DIN: 05147621), who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)		

\*Applicable for investors holding shares in Electronic form.

Signed this \_\_\_\_\_ day of September, 2022



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 24<sup>th</sup> Annual General Meeting of the Southern Online Bio Technologies Ltd., to be held on Friday, September 30, 2022 at 02.00 P.M at Anion Conference Hall, 8<sup>th</sup> Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038

..... Member's /Proxy's Signature

**Note:**

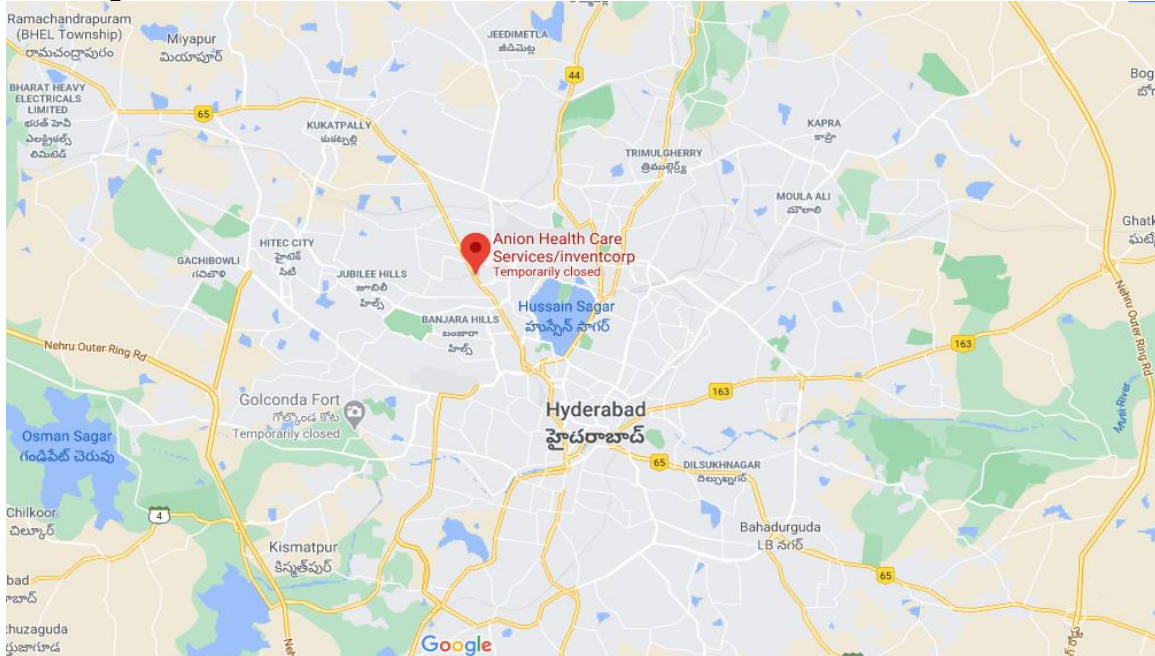
1. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2. The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3. A Proxy 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.

**Southern Online Bio Technologies Limited**

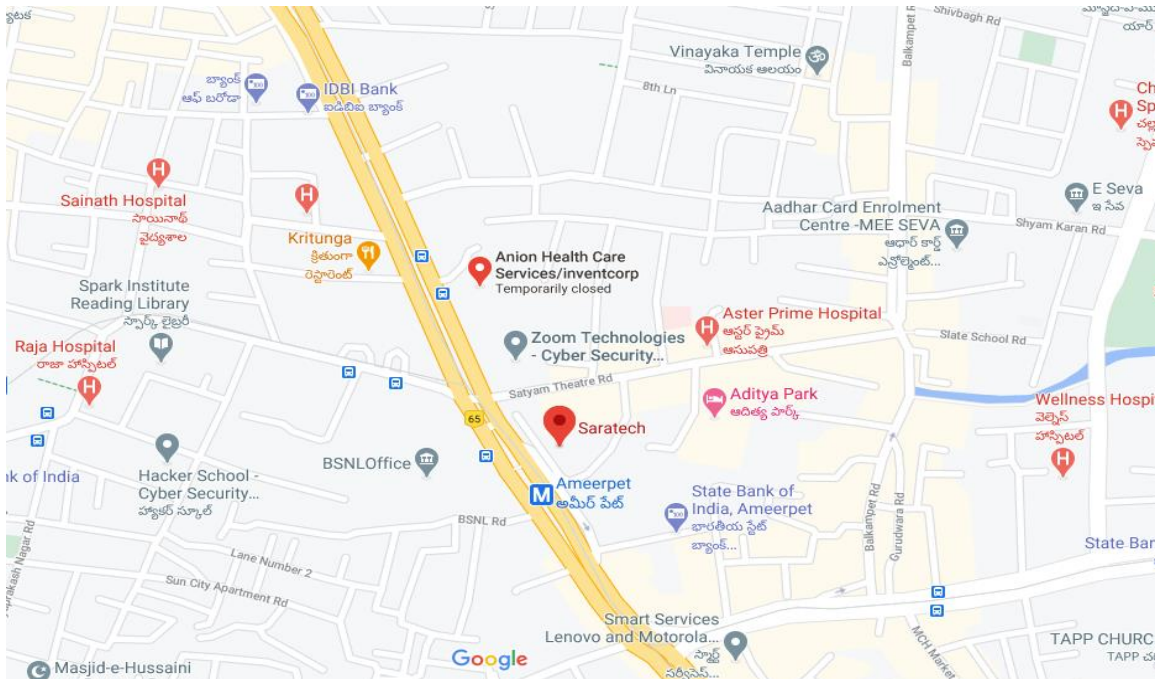
In terms of the Requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; route map for the location of the venue of the 24<sup>th</sup> Annual General Meeting is given below :

**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  
BALLOT PAPER**

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1) 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 24<sup>th</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) of the Company for the year ended 31 March 2022 including Audited Balance Sheet as at 31 March 2022, 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 Dr Devaiah Pagidipati (DIN: 05147621), who retires by rotation and being eligible offers himself for reappointment. (Ordinary Resolution)		

Place:

Date:

(Signature of the Shareholder / Proxy)