

M/s. Southern Online Bio Technologies Limited			
Standalone Balance Sheet - (Rs./-)			
Particulars	Note No	31-Mar-20	31-Mar-19
I. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, Plant and Equipment	1	51,70,31,567	1,06,94,92,947
(ii) Capital work-in-progress		-	
(b) Financial assets: Investments	2	48,34,245	60,01,108
(c) Deferred tax assets (net)	3	-	77,31,75,635
(d) Long term loans and advances	4	2,14,83,902	1,29,32,310
(e) Other non-current assets	5	2,95,36,888	21,34,925
(2) Current assets			
i) Financial assets:			
(a) Inventories	6	2,14,10,908	4,58,53,762
(b) Trade receivables	7	1,69,89,088	4,35,62,581
(c) Cash and cash equivalents	8	7,53,203	36,33,066
(d) Short-term loans and advances	9	1,62,393	22,74,77,835
(e) Other current assets	10	25,06,277	5,96,61,091
Total		61,47,08,471	2,24,39,25,260
II. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Equity Share Capital	11	-	58,99,32,880
(b) Other Equity	12	4,44,80,349	(2,20,36,83,967)
(c) Non - Controlling Equity		-	
(2) Share application money pending for allotment	13	45,00,00,000	30
(3) Non-Current Liabilities			
(a) Long-term borrowings	14	7,87,55,000	1,85,60,35,957
(b) Deferred tax liabilities (Net)		2,53,12,872	
(b) Other Long term liabilities	15	2,50,300	5,85,60,571
(d) Long term provisions		-	
(4) Current Liabilities			
(a) Short-term borrowings	16	-	1,81,62,70,303
(b) Trade payables	17	1,22,17,434	10,13,59,302
(c) Other current liabilities		-	
(c) Short-term provisions	18	36,92,517	2,54,50,184
Total		61,47,08,471	2,24,39,25,260

Summary of Significant Accounting Policies the accompanying
Notes are an Integral Part of the Financial Statements

AS PER OUR REPORT
OF EVEN DATE

For P. C. N. Associates.,
Chartered Accountants
FRN: 0160165

For Southern Online Bio Technologies Limited

K Gopala Krishna
Partner
MembershipNo:
203605

Dr. Pagidipati Devaiah
Director & CEO
(DIN: 05147621)

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

Mr. U U V Ravikanth
Chief Financial Officer

Mr. Kolli Srikanth
Reddy
Company Secretary

Place : Hyderabad

Date : December 29th, 2020

Standalone Statement of Profit and Loss for the year ended 31st March, 2020 - Rs./-

Particulars	Note No	31-Mar-20	31-Mar-19
I. Net Sales / Income from Operations (Net of Excise Duty)	19	2,09,06,869	2,59,34,662
II. Other Operative Income	20	3,34,57,03,456	1,11,31,742
III. Total Income From Operations Revenue (I+II)		3,36,66,10,325	3,70,66,404
IV. Expenses:			
Cost of materials consumed	21	1,68,770	-
Purchase of Stock-in-Trade	21	(2,44,42,854)	-
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	22	2,44,42,854	-
Employee benefit expense	23	66,99,334	81,69,622
Other operating expenses	24	46,49,86,236	2,45,32,796
Administrative Expenses	25	33,89,75,051	43,60,601
Financial costs	26	10,50,467	6,13,77,330
Depreciation and amortization expense	1	9,80,10,553	9,89,53,744
Total Expenses		90,98,90,412	19,73,94,093
V. Profit / (Loss) before tax (III - IV)		2,45,67,19,913	(16,03,27,689)
VI. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		79,84,88,507	(61,43,23,658)
Net Profit (+) / Loss (-) from ordinary activities after tax (V-VI)		1,65,82,31,406	45,39,95,969
VII. Extraordinary items (net of tax expenses)			
a) Loss			
b) Insurance claim's fi any			
Net Profit (+) / Loss (-) for the period (VI-VII)		1,65,82,31,406	45,39,95,969
VIII. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (VII+VIII)		1,65,82,31,406	45,39,95,969
IX. Earnings Per Equity Share - (for Continuing operation)			
Basic (Rs.)		-	7.70
Diluted (Rs.)		-	7.70
X. Earnings Per Equity Share - (for Discontinued operation)			
Basic (Rs.)			
Diluted (Rs.)			
XI. Earnings Per Equity Share - (for Continuing & Discontinued operation)			
Basic (Rs.)		-	7.70
Diluted (Rs.)		-	7.70

AS PER OUR REPORT
OF EVEN DATE
For P. C. N. Associates.,
Chartered Accountants
FRN: 016016S

For Southern Online Bio Technologies Limited

K Gopala Krishna
Partner
Membership No: 203605

Dr. Pagidipati Devaiah
Director & CEO
(DIN: 05147621)

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

Mr. U U V Ravikanth
Chief Financial Officer

Mr. Kolli Srikanth
Reddy
Company Secretary

Place : Hyderabad
Date : Dec 29th, 2020

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED		
Standalone Cash Flow Statement For The Year Ended 31.03.2020		
Particulars (Year Ended)	31-Mar-20	31-Mar-19
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	2,45,67,19,913	(16,03,27,689)
Adjustments for:		
Depreciation	9,80,10,553	9,89,53,744
Written off Expense	-	-
Interest	10,50,467	6,13,77,330
Operating Profit before working capital charges	2,55,57,80,933	3,385
Increase in Loans and Advances	24,85,16,701	(5,57,12,592)
Trade and other receivables	2,65,73,493	56,16,863
Inventories	2,44,42,854	-
Trade payables	(11,08,99,536)	(16,91,83,729)
Cash generated from operations	2,74,44,14,444	(21,92,76,073)
Interest paid	10,50,467	6,13,77,330
Cash flow before extraordinary items - (A)	2,74,33,63,977	(28,06,53,403)
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	-	-
Interest and exp capitalization	-	-
Purchase of Fixed Assets	(45,44,50,827)	(1,29,71,480)
Investments made in subsidiaries	(11,66,863)	(0)
Net cash used in investing activities - (B)	(45,56,17,690)	(1,29,71,480)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Creditors for capital goods		
Increase / decrease in Secured Loans	(3,59,35,51,260)	26,91,08,852
Increase / decrease in Long Term liabilities	(5,83,10,271)	(27,53,691)
Increase / decrease in Equity & Share Capital	(13,99,32,910)	
Increase / decrease in Inc Capital Reserve	58,99,32,910	
Net Cash used in Financing activities - (C)	(3,20,18,61,531)	26,63,55,162
Net increase in cash and cash equivalents - (A-B+C)	(28,79,864)	(13,26,760)
Cash and Cash equivalents as at (Opening Balance)	36,33,067	49,59,827
Cash and Cash equivalents as at (Closing Balance)	7,53,203	36,33,067


AS PER OUR REPORT
OF EVEN DATE

For P. C. N. Associates.,
Chartered Accountants
FRN: 0160165

For Southern Online Bio Technologies Limited


K Gopala Krishna
Partner
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Dr. Pagidipati Devaiah
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Place : Hyderabad

Date : Dec 29th, 2020

NOTE NO: 1 Property Plant Equipment - Mar 31st, 2020

Sl. No.	Particulars	As on 01.04.2019	Additions during the year / Through Restoration / Capitalised	Sale / Deletions during the year	As on 31.03.2020	Rate of Depreciation	Dep. As on 01.04.2019	Retained Earnings	Dep. For 12 Months	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation	Net Block as on 31.03.2020
1	Land	5,46,49,032	-	-	5,46,49,032	0.00%	-	-	-	-	-	5,46,49,032
2	Buildings @60 Years	58,47,273	-	-	58,47,273	1.58%	11,74,935	-	92,387	-	12,67,322	45,79,951
3	Buildings @30 Years	15,20,22,155	-	10,88,668	15,09,33,487	3.17%	3,69,98,144	-	47,84,592	2,40,676	4,15,42,060	10,93,91,427
4	Plant & Machinery	1,46,66,13,166	-	68,72,60,481	77,93,52,685	6.33%	57,69,28,156	-	9,27,20,405	23,79,25,023	43,17,23,540	34,76,29,269
5	Office Equipment	49,00,642	-	-	49,00,642	19.00%	49,00,242	-	-	-	49,00,242	400
6	Computers	9,19,61,443	-	-	9,19,61,443	31.67%	9,19,61,143	-	-	-	9,19,61,143	300
7	Furniture's	70,25,955	-	9,85,489	60,40,466	9.50%	56,40,113	-	2,53,943	-	58,94,056	1,46,410
8	Vehicles	31,92,988	-	-	31,92,988	11.88%	23,98,981	-	1,59,225	-	25,58,206	6,34,782
	Total	1,78,62,12,654	-	68,93,34,638	1,09,68,78,016		72,00,01,714	-	9,80,10,552	23,81,65,699	57,98,46,568	51,70,31,571



NOTE NO. 2 : Non - Current Investments - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	48,34,245	48,34,245
	b) Marvel Bio Oil, FZE, Sharjah	-	11,66,863
	Total Non - Current Investments	48,34,245	60,01,108

Note:

Transfer of subsidiaries - As a part of the NCLT Order, Liquidation Proceeds as "going concern", the Company has transferred identified entities to the identified buyer its entire equity investment/ownership interest held in the those identified entities, at a fair market value on "as is where is" and "as is whatever is" basis.

Subsequently the Marvel Bio Oil, FZE, Sharjah unit has been closed which is been confirmed by the free trade authorities of Sharjah in the FY 18-19, the said investment treated as investment written off during the FY 19-20.

No other investments were made by the company, The Marvel Bio Oil FZE Sharjah, UAE, which was another subsidiary of the Company has been closed in the FY 2018-19 due to severe funds constraints, the same has been accounted for the as investment written off during the year FY 19-20.

NOTE NO. 3 : Deferred Tax Asset / (Liability) - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Opening Deferred tax Liability	2,88,84,956	
	Add:	-	
	Reversal of Deferred Tax asset/(Liability)	-	
	Deferred Tax Asset During the year	-35,72,084	
	Gross Deferred tax Liability	2,53,12,872	-
	Opening Deferred tax Asset	80,20,60,591	15,88,51,977
	Deferred Tax Asset Written Offs / Rectified *	-80,20,60,591	61,43,23,658
	Gross Deferred tax Asset	-	77,31,75,635
	Deferred Tax Asset / (Liability)	(2,53,12,872)	77,31,75,635

- Deferred Tax Asset has been written off during the current financial year as there were no reliably estimates for future taxable income. Also the company has bought by the new buyer under the NCLT proceedings, the Deferred Tax Asset has been written off during the current financial year.



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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Long - term loans and advances:		
a)	Security Deposit		
	Secured	15,85,000	1,29,32,310
c)	Loans and advances to related parties (giving details thereof)		
	Secured	1,96,98,493	
	Unsecured	-	
	Doubtful	-	
d)	Other loans And advances (Specify the nature)		
	Secured	2,00,409	
	Unsecured	-	
	Doubtful	-	
	Total Long Term Loans & Advances	2,14,83,902	1,29,32,310

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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Long Term Trade Receivables (Including trade receivables on Deferred Credit Basis)		
a	Secured	2,95,36,888	
b	Unsecured	-	21,34,925
	Total Other Non Current Assets	2,95,36,888	21,34,925

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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Inventories :		
a)	Raw materials		
	Palm Stearin	-	-
	Equipments	-	-
	Rice Bran Oil	-	-
	Used Cooking Oil	-	34,501
	Seeds	-	1,57,363
	Fatty Acid Oil	-	-
	RBD Palm Oil	-	-
	Refined Palm Oil	-	-
	Chemicals & Consumables	-	37,69,555
	Sub Total	-	39,61,419
b)	Finished goods		
	Bio Diesel.	-	23,68,600
	Glycerine.	-	17,52,315



	Rice Bran Oil	-	-
	Sludge and Fatty Acid.	-	47,64,621
	Other Stock	2,14,10,908	2,14,10,908
	Sub Total	2,14,10,908	3,02,96,445
	c) Stores and spares	-	1,15,95,898
	f) Loose tools		
	Total Inventories	2,14,10,908	4,58,53,762

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

S. No.	Particulars	31-Mar-20	31-Mar-19
1	Trade Receivables	-	4,35,62,581
	Secured - Below 6 Months	-	
	Un Secured - Above 6 Months	20,50,750	
	Other debts	1,49,38,338	
	Total Trade Receivables (net)	1,69,89,088	4,35,62,581

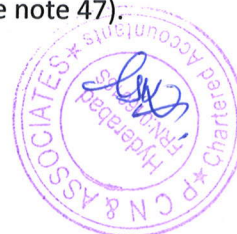
NOTE NO. 8 : Cash & Bank Balances - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Cash and cash equivalents :		
	a) Balances with banks - On Current Accounts	7,45,751	36,21,894
	b) Cash on hand	7,452	11,172
	Total Cash and Cash Equivalents	7,53,203	36,33,066

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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Short - Term Loans and Advances		
	a) Security Deposit		
	LC Margin & Other Deposit	-	1,67,29,027
	Unsecured	-	
	Doubtful	-	
	b) Loans and Advances to Related Parties		
	Secured	-	
	Unsecured	-	
	Inter Divisions	(0)	
	c) Other Loans and Advances		
	Secured - Raw Materials etc,	-	
	Secured - Other Advances - FD towards IROAF	1,62,394	2,51,25,915
	Insurance Claim / Others*	-	18,56,22,893
	Total Cash and Cash Equivalents	1,62,394	22,74,77,835

*Insurance claims has been written off during the year, since the said receivable is long-lasting considered to be written off during the year (Kindly refer to the note 47).



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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Unamortised Premium on forward contracts VAT Input/TDS Receivable/GST Input	25,06,278	5,96,61,091
	Total Cash and Cash Equivalents	25,06,278	5,96,61,091

NOTE NO. 11 : EQUITY SHARE CAPITAL

S. No.	Particulars	As at 31.03.2020		As at 31.03.2019	
		No. of Shares	(Rupees)	No. of Shares	(Rupees)
a	Equity Share Capital (For each class of capital)				
	(a) Authorised	7,50,00,000		7,50,00,000	
	(b) Issued	-	-	5,89,93,288	58,99,32,880
	(c) Subscribed & Fully Paid Up		-		58,99,32,880
	(d) Subscribed & not fully paid up				
	(e) Par value per share Rs. 10				
	Total Equity Share capital		-		58,99,32,880
b	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:	Number of Shares		Number of Shares	
	Equity Shares of Rs.10 Each, Fully paid up :				
	At the Beginning		-	5,89,93,288	
	Issued during the year - Bonus Issue		-	-	
	Issued during the year - Cash Issue		-	-	
	Issued during the year - ESOP		-	-	
	Issued during the year - Pref Issue		-	-	
	Forfeited / Bought Back during the year		-	-	
	At the end		-	5,89,93,288	
c	Details of Shareholder holding more than 5% shares of the company which is still not allotted and proposed share holding as per NCLT order as given below:	% of Share Holding		% of Share Holding	
	Equity Shares of Rs. 10 each Held By				
	(a) Share Holder - Dr.Devaiiah Pagidipati - No. of Shares (C.Y) 4,49,94,000, No. of Shares (P.Y) 0	4,49,94,000	99.9867%	60,27,652	10.22%

(a) Share Holder - N. Satish Kumar - No. of Shares (C.Y) 60,27,652, No. of Shares (P.Y) 60,27,652



(b) Share Holder - Dr.Rudramma Devi Pagidipati - No of Shares (C.Y) 1,000 and No of Shares (P.Y) 0	1,000	0.0022%	(b) Share Holder - Al sried Company for Trade Limited - No. of Shares (C.Y) 34,06,769, No. of Shares (P.Y) 34,06,769	34,06,769	5.77%
(c) Share Holder - Mr.Brij Mohan Mandala - No. of Shares (C.Y) 1,000, No. of Shares (P.Y) 0.	1,000	0.0022%	(c) Share Holder - Advait BV - No. of Shares (C.Y) 31,14,935, No. of Shares (P.Y) 43,23,267.	31,14,935	5.28%
(d) Share Holder - Mr.Rajasekhar Gopalajosyula- No. Of Shares (C.Y) 1,000, No of Shares (P.Y) 0.	1,000	0.0022%	(d) Share Holder -The Indiaman Fund Mauritius Limited - No. Of Shares (C.Y) 0, No of Shares (P.Y) 26,64,325.	-	0.00%
(e) Share Holder -Mr.Gottipati Venkata Rama Krishna Prasad - No. Of Shares 1,000, No of Shares (P.Y) 0.	1,000	0.0022%			
(f) Share Holder -Mr.Raghuram Garimella - No. Of Shares 1,000, No of Shares (P.Y) 0.	1,000	0.0022%			
(g) Share Holder - Mr.Komma Reddy Fatima Reddy - No. Of Shares (C.Y) 1,000, No of Shares (P.Y) 0.	1,000	0.0022%			-

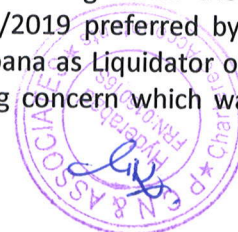
Note: Southern Online Bio Technologies Limited (Company) has been admitted for Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an Order of the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") dated 05th October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05th October, 2018. Subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14th meeting resolved to liquidate the Company. Following which the Hon'ble NCLT, Hyderabad bench on 16th July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr Devaiah Pagidipati as a going concern which was approved by Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in 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. The earlier share capital has been transferred to Capital Redemption Reserve of the Company as on March 31st, 2020 as tabulated above. The earlier shareholders will be written off in full and shall stand permanently extinguished due to the same earlier Equity Shares transferred to Capital Redemption Reserve account, since the allotment towards New Share Holders pending in BSE & ROC, the same has been treated as share application Money for the Current Year FY 19-20.



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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Other Equity		
	a) Capital reserve		
	As at the commencement of the year	-	
	Add: Additions during the year	-	
	Less: Utilised for during the year		
	Total	-	
	b) Capital Redemption reserve		
	As at the commencement of the year	-	
	Add: Additions during the year	87,62,83,410	
	Less: Transferred to Surplus	87,62,83,410	
	Total	-	
	c) Securities Premium Reserve		
	As at the commencement of the year	25,31,87,500	25,31,87,500
	Add: Additions during the year	-	-
	Less: Transferred to Capital Redemption Reserve	25,31,87,500	-
	Total	-	25,31,87,500
		-	25,31,87,500
	d) Surplus :		
	i) Opening Balance - Profit and Loss Account	(2,49,35,32,244)	(2,94,75,28,213)
	Less: Transfer from Capital Redemption Reserve	87,62,83,410	
	Add: Transfer from Profit & Loss Account	1,65,82,31,406	45,39,95,969
		4,09,82,572	(2,49,35,32,244)
	e) Share warrants forfeited premium :		
	As at the commencement of the year	3,31,63,000	3,31,63,000
	Add: Additions during the year	-	-
	Less: Transferred to Capital Redemption Reserve	3,31,63,000	-
		-	3,31,63,000
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reserves and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	Total Other Equity	4,44,80,349	(2,20,36,83,967)

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



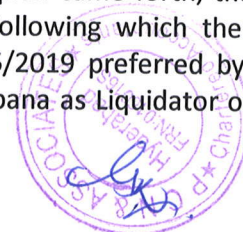
Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in 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. The earlier share capital has been transferred to Capital Redemption Reserve of the Company as on March 31st, 2020 as tabulated above. The earlier shareholders will be written off in full and shall stand permanently extinguished due to the same earlier Equity Shares transferred to Capital Redemption Reserve account, and the earlier Share warrants forfeited Premium and Securities Premium Reserve were been transferred to Capital Redemption Reserve.

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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Share Application Money	-	30
	Add : Received	45,00,00,000	-
	Total Share Application Money	45,00,00,000	30
	Less : Share Application money equity shares allotted	-	-
	Total Share Application Money Pending Allotment	45,00,00,000	30

Details of Proposed Shareholder holding more than 5% shares of the company:	% of Share Holding	
Equity Shares of Rs. 10 each Held By		
(a) Share Holder - Dr.Devaiah Pagidipati - No. of Shares (C.Y) 4,49,94,000, No. of Shares (P.Y) 0	4,49,94,000	99.9867%
(b) Share Holder - Dr.Rudramma Devi Pagidipati - No of Shares (C.Y) 1,000 and No of Shares (P.Y) 0	1,000	0.0022%
(c) Share Holder - Mr.Brij Mohan Mandala - No. of Shares (C.Y) 1,000, No. of Shares (P.Y) 0.	1,000	0.0022%
(d) Share Holder - Mr.Rajasekhar Gopalajosyula- No. Of Shares (C.Y) 1,000, No of Shares (P.Y) 0.	1,000	0.0022%
(e) Share Holder -Mr.Gottipati Venkata Rama Krishna Prasad - No. Of Shares 1,000, No of Shares (P.Y) 0.	1,000	0.0022%
(f) Share Holder -Mr.Raghuram Garimella - No. Of Shares 1,000, No of Shares (P.Y) 0.	1,000	0.0022%
(g) Share Holder - Mr.Komma Reddy Fatima Reddy - No. Of Shares (C.Y) 1,000, No of Shares (P.Y) 0.	1,000	0.0022%
Total	4,50,00,000	100%
Face Value @ Rs. 10/-	10	
Total Shares	45,00,00,000	

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



Thereafter the Company was sold to Dr Devaiah Pagidipati as a going concern which was approved by Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in 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. The earlier share capital has been transferred to Capital Redemption Reserve and the Capital shown as share application money of the Company as on March 31st, 2020 as tabulated above as, since the allotment is pending in BSE & ROC.

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

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Long Term borrowings		
	a) Secured Term Loans from Banks:		
	From banks:		
	Secured		
	Bank of India, Banjara Hills, - Loan for Flats	-	9,66,706
	IIFL- TATA ACE Vehicle Loan.	-	
	ICICI Bank - Vehicle Loan.	-	
	TERM LOANS :		
	Bank of India	-	97,07,02,353
	SBH	-	45,88,74,478
	UCO Bank	-	33,40,12,547
	Punjab National Bank	-	4,46,95,264
	b) Unsecured Loans from Directors / Others:		
	Unsecured Loan	7,87,55,000	4,67,84,610
	Total Long Term Borrowings	7,87,55,000	1,85,60,35,957

Note: As per NCLT order , IA No. 1038 / 2019 vide Separate Orders, dated on Nov 26th, 2019 as "A Direction be issued that upon completion of sale of the corporate debtor as a going concern all the claims or demands made by or liabilities or obligations owned or payable to any actual or potential creditors of the corporate debtor including Government dues whether direct or indirect, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed in relation to any period prior to the e-auction date or arising on account of the acquisition of control by the applicant over corporate debtor pursuant to e-auction, will be written off in full and shall stand permanently extinguished.

NOTE NO. 15 : Other Long Term Borrowings - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	a) Other long term liabilities		
	- Other Liabilities	1,50,000	5,81,50,000
	- Capex payable	1,00,300	4,10,571
	Total Other Long Term Borrowings	2,50,300	5,85,60,571



NOTE NO. 16 : Short Term Borrowings - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Short term borrowings		
	a) Loans repayable on demand - WC		
	Bank of India	-	68,47,88,211
	State Bank of Hyderabad	-	50,35,40,870
	UCO Bank	-	14,80,27,100
	Punjab National Bank	-	7,78,89,630
	b) on a/c of Letter of Credit :		
	Bank of India	-	
	State Bank of Hyderabad	-	
	UCO Bank	-	
	Punjab National Bank	-	
	c) Interest Accruals	-	40,20,24,492
	Total Short Term Borrowings	-	1,81,62,70,303

Note: As per NCLT order , IA No. 1038 / 2019 vide Separate Orders, dated on Nov 26th, 2019 as "A Direction be issued that upon completion of sale of the corporate debtor as a going concern all the claims or demands made by or liabilities or obligations owned or payable to any actual or potential creditors of the corporate debtor including Government dues whether direct or indirect, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed in relation to any period prior to the e-auction date or arising on account of the acquisition of control by the applicant over corporate debtor pursuant to e-auction, will be written off in full and shall stand permanently extinguished.

NOTE NO. 17 : Trade Payables - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	a) Trade Payables	1,22,17,434	10,13,59,302
	Total Trade Payables	1,22,17,434	10,13,59,302

NOTE NO. 18 : Short Term Provisions - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	a) Provision for Employee Benefit		
	PF Payable	-	16,48,190
	ESIC Payable	-	61,126
	Salaries Payable	5,19,623	28,35,955
	b) Others		
	Statutory Liabilities	29,31,162	67,66,179
	Provision for Expenses	2,41,732	1,41,38,734
	Total Short Term Provisions	36,92,517	2,54,50,184



NOTE NO. 19 : Revenue from Operations - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Revenue from operations		
	(a) Sale of Products	-	
	(b) Sale of Products (Exports)	-	
	(c) Sale of Products (Exports Out to Out India)	-	
	(d) Sale of Services	2,09,06,869	2,59,34,662
	(e) Other Operating Revenues (IROAF Chennai)	-	
	Less: Excise & Customs Duties	-	
	Total Revenue from Operations	2,09,06,869	2,59,34,662

NOTE NO. 20 : Other Income - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	(a) Other non-operating income (net of expenses directly attributed to such income)	12,53,960	1,11,31,742
II	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)	-	
III	Prior Period Incomes, Provisions Written back, Prior Period Expenses	3,65,13,799	
IV	Liabilities Written Back - Earlier Years (Bank Liabilities)	3,30,79,35,697	
	Total Other Income	3,34,57,03,456	1,11,31,742

NOTE NO. 21 : Cost of Materials Consumed & Purchase of Stock in Trade - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	a) Material		
	Palm Stearin	-	-
	Mutton Tallow	-	
	Rice Bran Oil	-	
	Used Cooking Oil	-	-
	Fatty Acid Oil	-	
	RBD Palm Oil	-	
	Refined Palm Oil	-	
	Cost of Material Consumed - Sub Total (A)	-	-
	b) Purchases - Stock in Trade	-2,44,42,854	
	Cost of Purchase Stock In Trade - Sub Total (B)	-2,44,42,854	-
	c) Chemicals & Consumables	1,68,770	
	Cost of Chemicals & Consumables - Sub Total (C)	1,68,770	-
	IROAF Contract Expenses	-	
	IROAF Contract Expenses - Sub Total (D)	-	-
	Total Cost Of Material Consumed (A+B+C+D)	-2,42,74,083	-



NOTE NO. 22 : Change in inventories & WIP - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Finished Goods		
	Finished goods at the beginning of the year	2,44,42,854	-
	Less : Finished goods at the end of the year	-	
	Sub Total (A)	2,44,42,854	-
	Work in Progress		
	Work in progress at the beginning of the year	2,14,10,908	-
	Less: Work in progress at the ending of the year	2,14,10,908	
	Sub Total (B)	-	-
	Stock-in-Trade		
	Finished goods at the beginning of the year	-	
	Less : Finished goods at the end of the year	-	
	Sub Total (C)	-	-
	Total Other Income	2,44,42,854	-

NOTE NO. 23 : Employee Benefit Expenses - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	(a) Salaries & Wages	65,73,898	80,18,951
	(b) Contribution to Provident & Other Funds	-	59,869
	(c) Staff Welfare Expenses	1,25,436	90,802
		-	
	Total Employee Benefit Expenses	66,99,334	81,69,622

NOTE NO. 24 : Other Operating Expenses - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	(a) Consumption of Stores & Spares	-	
	(b) Power & Fuel	7,34,751	7,36,468
	(c) Rent	4,37,316	3,98,514
	(d) Repairs to Machinery	1,45,294	17,44,151
	(e) Insurance	1,38,284	7,71,093
	(f) Rates & Taxes (Excluding Income Tax)	18,643	75,199
	(g) Bandwidth	1,10,17,417	1,65,12,455
	(h) Other Mfg Expenses	-	-
	(i) Factory Wages	-	-
	(j) Shipping Charges	-	-
	(k) Freight charges (Inward)	-	-
	(l) Freight Charges - Outward & Insurance	-	-
	(m) Other Non-Operative Expenses	-	-
	(n) Loss on Assets (Assets Written Offs)	44,92,65,923	2,35,094
	(o) Other Expenses	13,25,592	40,09,458
	(p) Impairment on Assets	19,03,016	50,364
	Total Other Operative Expenses	46,49,86,236	2,45,32,796



NOTE NO. 25 : Administrative Expenses - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	(a) Telephone, Postage and Others	1,69,101	2,22,253
	(b) Business Promotion Expenses	6,179	8,08,854
	(c) Travelling & Conveyance	89,285	2,44,117
	(d) Repairs and Maintenance	8,23,778	76,000
	(e) Printing & Stationery Expenses	77,074	39,236
	(f) Security Charges	12,54,740	1,94,040
	(g) Rent ,Rates & Taxes (excluding Income Tax)	8,38,706	8,73,313
	(h) Managerial Remuneration	-	-
	(i) Consultancy Charges	7,95,133	4,04,500
	(j) Gen Expenses	42,94,597	7,32,162
	(k) Director Sitting Fee / Board Meeting Expenses	-	75,576
	(l) Payment to Auditors:	-	-
	(i) As Auditor	20,000	-
	(ii) For Taxation Matters	-	-
	(iii) For Company Law Matters	9,96,697	-
	(m) Advertisements	16,43,738	4,36,744
	(n) Collection Expenses	19,410	-
	(o) Commission & Discounts	1,08,500	2,53,806
	(p) Accidental / Medical Charges	20,783	-
	(q) Prior Period Expenses	2,27,17,951	
	(r) Liquidation Expenses	2,73,08,182	
	(q) Written Offs	27,77,91,197	
	Total Administrative Expenses	33,89,75,051	43,60,601

NOTE NO. 26 : Finance Cost - (Rs./-)

S. No.	Particulars	31-Mar-20	31-Mar-19
I	(a) Interest Expenses :		
	- Interest on Cash Credit	-	
	- Interest on Car Loan / Term Loan	-	
	- Interest on LC & BG Discounts	-	
	- LC & BG Opening Charges, Bank Charges & others	-	6,13,77,330
	- CDR - Facilitation Charges	-	
	(b) Other Borrowing costs / Financial Charges	10,50,493	
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	
	Total Finance Cost	10,50,493	6,13,77,330



Note No 27. Notes and Other Explanatory information to financial statements for the year ended March 31st, 2020

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 9th, 1998 with Registrar of Companies, Hyderabad and subsequently converted into a Public Limited Company on January 4th, 2000. The name of the Company has been Changed to Southern Online Bio Technologies Limited on 31st March 2004 to reflect the new line of business in which the Company has ventured i.e. manufacture of Biodiesel. Currently the Company's shares are listed at BSE.

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

2 . Basis of preparation

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

A .Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

Property, Plant and Equipment & Intangible Assets

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

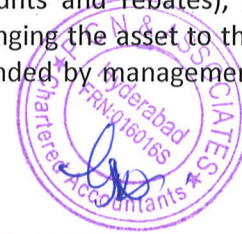
Employee Benefits- Measurement of Defined Benefit Obligation

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

B .Property, Plant and Equipment

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

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on



qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

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

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

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

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

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

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

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

C .Depreciation

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

D .Intangible Assets

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

I . Investments

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

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



Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
Marvel Bio Oil, FZE, Sharjah	100.00 % Subsidiary
EVaidya Private Limited	Director's Common
Sathwik Projects Private Limited	Dr. PagidipatiDevaiah (99%)

Transfer of subsidiaries - As a part of the NCLT Order, Liquidation Proceeds as ongoing going concern, the Company has transferred identified entities to the identified buyer its entire equity investment/ownership interest held in the those identified entities, at a fair market value on "as is where is" and "as is whatever is" basis.

Subsequently the Marvel Bio Oil, FZE, Sharjah unit has been closed which is been confirmed by the free trade authorities of Sharjah in the FY 18-19, the said investment treated as investment written off during the FY 19-20.

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 05th October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05th October, 2018. Subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14th meeting resolved to liquidate the Company. Following which the Hon'ble NCLT, Hyderabad bench on 16th July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr. Devaiah Pagidipati as a going concern which was approved by Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr. Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order

dated November 26, 2019 read with Sale Certificate issued by the Liquidator in 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 12th, 2020 meeting held took note and given its approval for the Hon'ble NCLT, Hyderabad bench order dated Nov 26th, 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.

The Board of Directors passed the following resolution:

"RESOLVED THAT the board took note of the Order of Hon'ble NCLT, Hyderabad bench dated 26 November, 2019 and approved for extinguishment of entire old paid up share capital of Rs. 589932880/- of the Company and in place of such old paid up share capital, Hon'ble NCLT, Hyderabad bench directed to issue and allot new paid up equity share capital of Rs. 450000000/- divided in to 4,50,00,000 equity shares of Rs. 10/- each to the acquirer i.e. Dr Devaiah Pagidipati and his associates which will constitute 100% of the new paid up equity share capital of the Company.

RESOLVED FURTHER THAT the board be and is hereby authorize Dr Devaiah Pagidipati, Director and / or Mr Srikanth Reddy Kolli, Company Secretary of the Company to take necessary steps including filing of forms with ROC, RD and informing the Stock Exchanges, Depositories and other concerned authorities for giving effect to the said change in paid up share capital of the company in compliance with the Order of Hon'ble NCLT, Hyderabad bench dated 26 November, 2019 and to take necessary steps, acts, deeds and things required to give effect to the said Orders before all the concerned statutory authorities like ROC, RD, Stock Exchanges, Depositories, RTA, Income Tax department, GST authorities etc."

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

Issue and allotment of new shares to the new shareholders of the Company in compliance with the Order passed by the Hon'ble NCLT, Hyderabad bench dated November 26, 2019.

The board was informed that Hon'ble NCLT, Hyderabad bench has passed an Order on November 26, 2019 directing the Company to allot shares to the following list of persons in the newly created share capital of Rs. 45,00,00,000/- divided in to Rs. 10/- each of the Company. After due deliberation on the subject, the board passed the following resolution:



“RESOLVED THAT pursuant to clause 3 and 20 of the Order passed by Hon’ble NCLT, Hyderabad bench dated November 26, 2019 in IA No. 1038/2019 and pursuant to the provisions of Section 62 of the Companies Act, 2013 and other applicable provision if any, the consent of the Board be accorded to allot 45000000 equity shares of Rs. 10/- each at par to the following:

SI No	Name and Address of the Allottee	Regd. Folio No	Share Certificate No	Distinctive No’s.	No. of Equity shares of Rs. 10/- each
1	Dr Devaiah Pagidipati H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	01	01	01 to 4,49,94,000	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	02	02	4,49,94,001 to 4,49,95,000	1,000
3	Mr.Brijmohan Venkata Mandala 7-1-35-35/A, Flat No-405, ViswaSwapnika Apartment, ShyamKaram Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	03	03	4,49,95,001 to 4,49,96,000	1,000
4	Mr.Rajasekhara Gopalajosyula 1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080	04	04	4,49,96,001 to 4,49,97,000	1,000
5	Mr.Gottipati Venkata Rama Krishna Prasad 1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist-521137 Andhra Pradesh	05	05	4,49,97,001 To 4,49,98,000	1,000
6	Mr.Raghuram Garimella 4-11-31, Himagiri Colony, Road No-3, GandamGuda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091	06	06	4,49,98,001 to 4,49,99,000	1,000
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	07	07	4,49,99,001 to 4,50,00,000	1,000

RESOLVED FURTHER THAT Share Certificates in respect of the shares allotted as aforesaid be issued to the said allottee(s) under the common seal of the company and under the signatures of any two directors and company secretary or authorized signatory of the company and further to arrange for dematerialization by following necessary procedural compliance.

RESOLVED FURTHER THAT the board be and is hereby authorize Dr Devaiah Pagidipati, Director and / or Mr Srikanth Reddy Kolli, Company Secretary of the Company to take necessary steps including filing of forms with ROC, RD and informing the Stock Exchanges, Depositories and other concerned authorities for giving effect to the said change in paid up share capital of the company in compliance with the Order of Hon’ble NCLT, Hyderabad bench dated 26 November, 2019 and to take necessary steps, acts, deeds and things required to give effect to the said Orders before all the concerned statutory authorities like ROC, RD, Stock Exchanges, Depositories, RTA, Income Tax department, GST authorities etc.”

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

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

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



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

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

The said allotment is pending during the FY 19-20, the same as considered as share application money.

Equity shares are classified as equity, the equity reconstructed as share application money to the tune of Rs. 45.00 Crs.

V . Employee Benefits

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

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

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

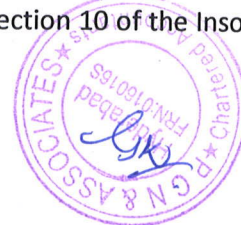
Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement as a result of experience adjustment and changes in actuarial assumptions are recognised in profit or loss.

VI . Income Taxes

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

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

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



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

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

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

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

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

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. The following specific recognition criteria must also be met before revenue is recognized:

Revenues Recognised During the Year (Term Loans and Cash Credit)

The Liquidator paid the total sum of Rs. 48,85,60,598.78 to the secured financial creditors out of the Liquidation proceeds of Rs. 51,70,00,000/-

Amounts were owing to the lending banks both in respect of Cash Credit and Term Loans the amounts paid by the Liquidator to the individual banks were apportioned to the respective loan amounts in the ratio of the amounts owing. After such apportionment, the amounts due in respect of Term Liabilities were transferred to Other Revenues as Liabilities Written Back - Earlier Years (Bank Liabilities) to the profit statement as income of the year.



The details are tabulated below:

Amount in Rs.

Sl.No.	Banks	CC	Term Loan	Paid Amount
1	Bank of India – April 1 st , 2019	40,03,40,510.39	1,46,90,32,643.24	22,89,00,195.10
	Bank of India – Mar 31 st , 2020	40,03,40,510.39	1,46,90,32,643.24	
	Less : Paid amount	4,90,20,721.60	17,98,79,473.50	
	Balance :	35,13,19,788.79	1,28,91,53,169.74	
2	State Bank of India – April 1 st , 2019	54,25,35,431.54	54,27,25,713.03	15,16,52,816.18
	State Bank of India – Mar 31 st , 2020	54,25,35,431.54	54,27,25,713.03	
	Less : Paid amount	7,58,39,702.92	7,58,13,113.26	
	Balance :	46,66,95,728.62	46,69,12,599.77	
3	Punjab National Bank – April 1 st , 2019	8,10,47,825.93	5,29,96,739.16	1,31,79,758.00
	Punjab National Bank – Mar31st , 2020	8,10,47,825.93	5,29,96,739.16	
	Less : Paid amount	79,68,922.00	52,10,836.00	
	Balance :	7,30,78,903.93	4,77,85,903.16	
4	UCO Bank - April 1 st , 2019	15,81,47,917.20	37,91,88,207.46	9,48,27,829.50
	UCO Bank - Mar 31 st , 2020	15,81,47,917.20	37,91,88,207.46	
	Less : Paid amount	2,79,09,576.59	6,69,18,252.91	
	Balance :	13,02,38,340.61	31,22,69,954.55	
	Grand Total	1,02,13,32,761.94	2,11,61,21,627.23	48,85,60,598.78
	Grand Total of Balance Portion - Rs. Cr	102.13	211.61	48.86
	Sale Consideration			51,70,00,000.00
	Other Legal, Valuation, Professional Fees, Liquidation Expenses			2,84,39,401.22

The Applicant further prayed a direction that he will be relieved of all the liabilities arising prior to e-auction date or arising on account of acquisition of control over the Corporate Debtor and liabilities to be treated as extinguished which accrued prior to e-auction date. Already Liquidator called for claims. The Liquidator should have received the claims and it is for the Liquidator to Look after the claims admitted by her which are to be dealt according to provisions of the Code. In the event if any claim which is stated to be due prior to e-auction, the Applicant is therefore not liable to pay the same and a direction can be given that Applicant is relieved of the liabilities that accrued prior to e-auction date.

As per the Section 41 (1) (a) if the Income Tax Act, 1961, any cessation of a liability in a year shall be brought to tax as the income of the year in which such cessation of liability occurs, where in such respect of such liability an allowance or deduction has been made in the assessment for any year in the past.

Accordingly, all such liabilities in respect of which the company had received the benefit of an allowance or deduction in the tax assessments in the past years and which liabilities are no longer payable by virtue of the order of the Hon'ble NCLT, were recognized as the income of the year in the state of Profit & Loss Statement.

Apart from the above liabilities, the Unsecured Loans of the earlier directors, Other Loans were been were transferred to Other Revenues as Liabilities Written Back - Earlier Years (Bank Liabilities) and the amounts due in respect of Term Liabilities were transferred to Other Revenues as Liabilities Written Back - Earlier Years (Bank Liabilities) to the profit statement as income of the year.



Earlier Equity, Securities Premium Reserves, Share warrants forfeited premium and Pending allocation of Share Application Money has been transferred to Capital Redemption Reserve and the same has been transferred to Reserves and surplus.

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.



28 . ShareCapital

The Equity Share Capital of the company as on Mar 31st, 2020 is Zero "0" compared to earlier previous year Mar 31st, 2019 as 5,89,93,288 Equity Shares of Rs. 10/-.

Southern Online Bio Technologies Limited (Company) has been admitted for Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an Order of the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") dated 05th October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05th October, 2018. Subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14th meeting resolved to liquidate the Company. Following which the Hon'ble NCLT, Hyderabad bench on 16th July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr Devaiah Pagidipati as a going concern which was approved by Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in 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 12th, 2020 meeting held took note and given its approval for the Hon'ble NCLT, Hyderabad bench order dated Nov 26th, 2019 which says under clause 2 e (f) that the entire old paid up share capital

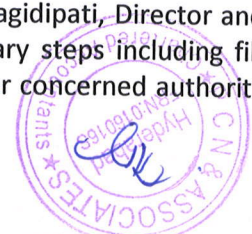
Extinguishment of old paid up equity share capital of Rs. 58,99,32,880/- divided in to 5,89,93,288 equity shares of Rs. 10/- each of the Company in compliance with the Hon'ble NCLT, Hyderabad bench Order dated 26 November, 2019.

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. 58,99,32,880/- divided in to 5,89,93,288 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. 45,00,00,000/- divided in to 4,50,00,000 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.

The Board of Directors passed the following resolution:

"RESOLVED THAT the board took note of the Order of Hon'ble NCLT, Hyderabad bench dated 26 November, 2019 and approved for extinguishment of entire old paid up share capital of Rs. 589932880/- of the Company and in place of such old paid up share capital, Hon'ble NCLT, Hyderabad bench directed to issue and allot new paid up equity share capital of Rs. 450000000/- divided in to 4,50,00,000 equity shares of Rs. 10/- each to the acquirer i.e. Dr Devaiah Pagidipati and his associates which will constitute 100% of the new paid up equity share capital of the Company.

RESOLVED FURTHER THAT the board be and is hereby authorize Dr Devaiah Pagidipati, Director and / or Mr Srikanth Reddy Kolli, Company Secretary of the Company to take necessary steps including filing of forms with ROC, RD and informing the Stock Exchanges, Depositories and other concerned authorities for



giving effect to the said change in paid up share capital of the company in compliance with the Order of Hon'ble NCLT, Hyderabad bench dated 26 November, 2019 and to take necessary steps, acts, deeds and things required to give effect to the said Orders before all the concerned statutory authorities like ROC, RD, Stock Exchanges, Depositories, RTA, Income Tax department, GST authorities etc."

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

Issue and allotment of new shares to the new shareholders of the Company in compliance with the Order passed by the Hon'ble NCLT, Hyderabad bench dated November 26, 2019.

The board was informed that Hon'ble NCLT, Hyderabad bench has passed an Order on November 26, 2019 directing the Company to allot shares to the following list of persons in the newly created share capital of Rs. 45,00,00,000/- divided in to Rs. 10/- each of the Company. After due deliberation on the subject, the board passed the following resolution:

"RESOLVED THAT pursuant to clause 3 and 20 of the Order passed by Hon'ble NCLT, Hyderabad bench dated November 26, 2019 in IA No. 1038/2019 and pursuant to the provisions of Section 62 of the Companies Act, 2013 and other applicable provision if any, the consent of the Board be accorded to allot 45000000 equity shares of Rs. 10/- each at par to the following:

Sl No	Name and Address of the Allottee	Regd. Folio No	Share Certificate No	Distinctive No's.	No. of Equity shares of Rs. 10/- each
1	Dr DevaiahPagidipati H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	01	01	01 to 4,49,94,000	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	02	02	4,49,94,001 to 4,49,95,000	1,000
3	Mr.Brijmohan Venkata Mandala 7-1-35-35/A, Flat No-405, ViswaSwapnika Apartment, ShyamKaram Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	03	03	4,49,95,001 to 4,49,96,000	1,000
4	Mr.Rajasekhar Gopalajosyula 1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080	04	04	4,49,96,001 to 4,49,97,000	1,000
5	Mr.Gottipati Venkata Rama Krishna Prasad 1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist-521137 Andhra Pradesh	05	05	4,49,97,001 To 4,49,98,000	1,000
6	Mr.RaghuramGarimella	06	06	4,49,98,001	1,000



	4-11-31, Himagiri Colony, Road No-3, Gandam Guda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091			to 4,49,99,000	
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	07	07	4,49,99,001 to 4,50,00,000	1,000

RESOLVED FURTHER THAT Share Certificates in respect of the shares allotted as aforesaid be issued to the said allottee(s) under the common seal of the company and under the signatures of any two directors and company secretary or authorized signatory of the company and further to arrange for dematerialization by following necessary procedural compliance.

RESOLVED FURTHER THAT the board be and is hereby authorize Dr Devaiah Pagidipati, Director and / or Mr Srikanth Reddy Kolli, Company Secretary of the Company to take necessary steps including filing of forms with ROC, RD and informing the Stock Exchanges, Depositories and other concerned authorities for giving effect to the said change in paid up share capital of the company in compliance with the Order of Hon'ble NCLT, Hyderabad bench dated 26 November, 2019 and to take necessary steps, acts, deeds and things required to give effect to the said Orders before all the concerned statutory authorities like ROC, RD, Stock Exchanges, Depositories, RTA, Income Tax department, GST authorities etc."

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

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

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

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

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

The said allotment is pending during the FY 19-20, the same as considered as share application money.

Equity shares are classified as equity, the equity reconstructed as share application money to the tune of Rs. 45.00 Crs.



29 . Secured Loans

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

30 . Investments

S. No.	Particulars	31-Mar-20	31-Mar-19
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	48,34,245	48,34,245
	b) Marvel Bio Oil, FZE, Sharjah	-	11,66,863
	Total Non - Current Investments	48,34,245	60,01,108

No other investments were made by the company, The Marvel Bio Oil FZE Sharjah, UAE, which was another subsidiary of the Company has been closed in the FY 2018-19 due to severe funds constraints, the same has been accounted for the as investment written off during the year FY 19-20.

31 . Segment Reporting

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

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

The Bio Diesel division manufactures the Bio Diesel.

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

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

- 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 Lacs)

Statement of Profit and loss for the year ended 31.03.2020	ISP		BIO DIESEL		OTHERS		TOTAL	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Net Sales / Revenue from Operations (Net of GST)	209.07	259.35	-	-	-	-	209.07	640.38
Identifiable Operating Expenses	125.25	196.94	4,524.62	48.15	-	0.23	4,649.86	10,560.49
Allocated Expenses	241.04	97.70	3,769.48	1,015.41	426.33	1.73	4,436.85	1,165.72
Segmental Operating Income	-157.22	-35.29	-8,294.10	-1,063.56	-426.33	-1.96	-8,877.64	-11,085.83
Unallocated Expenses	-	-	-	-	-	-	-	-
Profit for the year before Interest	-157.22	-35.29	-8,294.10	-1,063.56	-426.33	-1.96	-8,877.64	-11,085.83
Finance Cost	1.18	1.24	8.62	612.53	0.70	-	613.77	2,307.64
Other income		1.33		109.98		-	111.32	290.13
Net profit before taxes and prior period items	-158.40	-35.20	-8,302.73	-1,566.11	-427.02	-1.96	-9,380.09	-13,103.34
Provision for taxation	-	-	7,984.89	6,143.24	-	-	6,143.24	288.52
Prior Period Items	67.06	-	32,797.29	-	592.68	-	-	-
Net profit after taxes and before exceptional items	-91.34	-35.20	16,509.68	-7,709.35	165.66	-1.96	-15,523.33	-13,391.86
Exceptional items	-	-	-	-	-	-	-	-
Profit after tax and exceptional items	-91.34	-35.20	16,509.68	-7,709.35	165.66	-1.96	-15,523.33	-13,391.86

Geographical segments

(Rs. In Lacs)

Revenues	As at 31.3.2020	As at 31.3.2019
India	209.07	259.35
Outside India	-	-
Total	209.07	259.35

32 . Deferred Tax Asset / Liability

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

During the current year, the company recognized the deferred tax liability for an amount of Rs. 7.93 Crores and differential depreciation of the current financial year 2019-20.

The earlier DTA computed wrongly the same has been written off during the same, the detailed calculation has been tabulated.



Computation of Deferred Tax Liability/(Asset) for the quarter ended 31.03.2020

Particulars	Amount Rs.
Gross Deferred Tax Liability:	
WDV as per SLM (Companies' Act) as on 31.03.2020	51,70,31,571
WDV as per WDV (Income Tax Act) as on 31.03.2020	41,96,74,371
Temporary Timing Difference as on 31.03.2020	9,73,57,200
Deferred Tax Rate – 25%	
Education cess: 4% of Income tax plus surcharge	26.00%
Deferred Tax Liability	
March 31st, 2019 - Opening	2,88,84,956
During the year written Offs	-
Net Deferred Tax Liability	2,88,84,956
Closing Balance	2,53,12,872
Total	-35,72,084
Deferred Tax Asset	
March 31st, 2019 – Opening	80,20,60,591
During the year written Offs	-80,20,60,591
Net Deferred Tax Asset	-
During the Year Deferred Tax Asset	
Total	-
Charge to P & L Account Deferred Tax Expenses during the year	79,84,88,507

33 . Foreign Exchange Earnings

(Rupees.)

Particulars.	As at 31.03.2020	As at 31.3.2019
Export of Goods	-	-

34 . Foreign Exchange Outflow

(Rupees.)

Particulars.	As at 31.03.2020	As at 31.3.2019
For Purchases	-	-
For Investment in Subsidiary	-	-
For Subsidiary maintenance	-	-

35 . Director's Remuneration

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

(Rupees.)

Particulars.	As at 31.03.2020	As at 31.3.2019
Salary & Allowances (Whole Time Director)	-	-

36 . Remuneration to Auditors

(Rupees.)

Particulars.	As at 31.03.2020	As at 31.3.2019
Audit Fees	1,50,000/-	1,50,000/-

37 . Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st, March, 2020 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
Marvel Bio Oil, FZE, Sharjah	100.00 % Subsidiary
EVaidya Private Limited	Related party – related to director
Sathwik Projects Private 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:

Related Party Disclosures:				
A) List of Related Parties:				
Name of the Related Party		Country	Relationship with the entity	
Southern Biofe Biofuels Private Limited		India	Subsidiary	
E Vaidya Private Limited		India	Related party – related to director	
Sathwik Projects Private Limited		India	Related party – related to director	
B) Related party transactions for the period ended March 31, 2020:			In INR	
Southern Online Bio Technologies Limited		Transactions during the period 1.4.2019 to 31.03.2020		
Nature of Transactions/ Name of the Related Party	Southern Biofe Biofuels Private Limited	E Vaidya Private Limited	Sathwik Projects Private Limited	
Sale of Services	Nil	Nil	Nil	
(Cost of Services)	(Nil)	(Nil)	Rs (96,26) Lakhs	
Loans and Advances	Nil	Nil	Nil	
Interest income / (expenses)	Nil	Nil	Nil	
Reimbursement of expenses	Nil	Nil	Nil	
Investments	48,34,245	Nil	Nil	
Balance outstanding	48,34,245	Nil	Rs (96,26) Lakhs	
Southern Online Bio Technologies Limited		Transactions during the period 1.4.2019 to 31.03.2020		
Nature of Transactions/ Name of the Related Party	Sathwik Projects Private Limited (Dr. PagidipatiDevaiah having shareholding 99% of the stake)			
Professional Services Received	Rs (96.26) Lakhs			
Balance outstanding (Payable)	Rs (96. 26) Lakhs			
C) List of Transactions with Directors & Key Managerial Personnel (KMP)				
Remuneration to Directors & KMPs		In INR		
Nature of Transactions/ Name of the Related Party	Salary and allowances	Contributions to provident and other funds	Perquisites and incentives	Total remuneration
Dr Devaiah Pagidipati	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil
Remuneration to Non-executive Directors		In INR		
Nature of Transactions/ Name of the Related Party	Sitting fee			
Mr Brijmohan Venkata Mandala	Nil			
Mr Madana Mohana Rao Yalamanchili	Nil			
Total	Nil			

D) Unsecured Loan from Directors	
Dr Devaiah Pagidipati	In INR
	6,70,00,000
Total	6,70,00,000

38 .Earning Per Share

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

(Rupees)

Particulars	As on 31.03.2020	As on 31.03.2019
Profit available for the equity share holders (Rs)	1,65,82,31,406	45,39,95,969
No. of shares outstanding for EPS-Basis	-	5,89,93,288
No. of shares outstanding of EPS-Diluted	-	5,89,93,288
Basic	-	7.70
Diluted	-	7.70

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

40 . Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs.20,00,000/- as on 31.03.2020, 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 th , 2020	Oct 7 th , 2021	10,00,000
2.	8639IPEBG140005	President of India, Dy. Controller of Communications Accounts (L.F) Government of India	Jan 3 rd , 2020	Jan 15 th , 2021	10,00,000

41 . Unsecured Loan

Dr Devaiah Pagidipati requested the NCLT Honourable Court (Hyderabad) with the reliefs prayed for separately requested the Tribunal to allow him to pay the bid amount to the Liquidator i.e., Rs. 45.00 Crores against which new Equity shall be created by applicant and the balance amount of Rs. 6.7 Crores in the form of Unsecured debt. The liquidator is directed to look into the request of Applicant and accordingly permit the Applicant to Pay the bid amounts in the form suggest by the Applicant if permissible. The applicant further prays that a direction be given that he will be entitle to all rights, title and interest in the whole and every part of the Corporate Debtor as soon as payment of balance of bid amount, since applicant purchased the unit as ingoing concern and naturally applicant will be entitle to the corporate debtor as aright full owner on payment of balance of bid amount. There is no need to give separate direction because it is very much implied that when the applicant purchased the company as ongoing concern, he will be the owner and entitle to all the benefits as owner of the company.



42 . Details of Security:

No Securities offered

43.NCLT Order:

The Company would like to bring to your notice and enlighten the subject as per the NCLT Order's Passed as follows:

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Southern Online Bio Technologies Limited ("the Company") on Oct 5th, 2018 (CP(IB) 343/07 HDB / 2018) and appointed G. Kalpana on Oct 5th, 2018 to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.
2. G. Kalpana has appointed as Resolution professional on Oct 5th, 2018 As approved by the Committed of Creditors. Insolvency and Bankruptcy process under IBC code has started on Oct 5th, 2018 which is time bound by 180 days from the date of commencement of Insolvency process. The Resolution professional and Committee of the Creditors has conducted many meetings for invitation of expression of interest by resolution applicants but no resolution application received by Resolution professional. Further Committee of creditors directed the Resolution professional to apply for extension of time with Adjudicating authority as allowed by IBC code.
3. Adjudicating Authority has further extended 90 days towards Insolvency and resolution process. However no resolution plans has received by the company and mandatory time limit of Insolvency and bankruptcy process has completed on July 16th, 2019. The resolution professional has filed the Liquidation application with Adjudicating authority and Adjudicating authority has passed the liquidation order on and appointed G Kalpana (Resolution professional) as Liquidator under IBC code.
4. During the Liquidation process, in the 14th Committee of Creditors resolved to liquidate the Corporate Debtor on July 16th, 2019 Tribunal passed an order preferred by the Applicant for liquidating the Corporate Debtor (Southern Online Bio Technologies Limited).
5. The liquidator has placed the same before adjudicating authority and Adjudicating authority has passed the liquidation completion order on the basis of selling the company on going concern basis and the following paragraphs are mentioned in Honorable Adjudicating authority order (NCLT, Hyderabad Bench – 1):
6. The First advertisement given in Financial Express, Nava Telangana and Andhra Prabha Newspapers on July 19th, 2019 inviting claims from the stakeholders as on the Liquidation Commencement date on or before Aug 14th, 2019.
7. On Aug 29th, 2019 the Liquidator advised to the Consultation Committee wherein after due deliberations to sell the Corporate debtor as a "Going Concern".
8. Accordingly the sale Notice has been issued on Sep 5th, 2019 as well in News Media stating that the date of auction being on Sep 20th, 2019, however, No bids are received for the sale notice issued for Corporate Debtor as a going Concern or for individual business units of the Corporate Debtor.

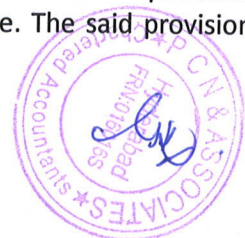


9. After due deliberations in the second stakeholders consultation committee meeting held on Sep 23rd, 2019, the sale process and reserve price were fixed and notice issued on Sep 29th, 2019 in news media fixed the auction date was Oct 10th, 2019 and last date for submission of EMD amount was fixed as Oct 7th, 2019. But unfortunately the Liquidator haven't received any EMD amount for the sale of Corporate Debtor as a Going Concern and the said event treated as Cancelled.
10. This Tribunal vide order dated 5th October, 2018 admitted the Company Petition CP (1B) NO.343/7/HDB/2018 filed by Financial Creditor/ Respondent herein and Corporate Insolvency Resolution Process against the Corporate Debtor M/S. Southern Online Bio Technologies Limited commenced with effect from Oct 5th, 2018 by appointing the Applicant herein as Interim Resolution Professional who was later confirmed as Resolution Professional. When no resolution plan came forth, the Committee of Creditors in its 14th meeting resolved to liquidate the Corporate Debtor. Following which, this Tribunal on July 16th, 2019 passed an order in IA No.565/2019 preferred by the Applicant for liquidating the Corporate Debtor Company by appointing the Applicant herein as Liquidator of the Corporate Debtor M/S Southern Online Bio Technologies Limited.
- The Company would like to bring to your notice and enlighten the subject as per the NCLT Order's Passed as follows:
1. IA No. 1038 / 2019 vide Separate Orders, dated on Nov 26th, 2019
 2. IA No. 296/2020 Order Dated on June 22nd, 2020
11. The Applicant submits that on assuming charge of Liquidator, she issued public announcement in Financial Express, Nava Telangana and Andhra Prabha News Papers on July 19th, 2019 inviting claims from the stakeholders as on the Liquidation commencement date on or before Aug 14th, 2019.
12. After collating and verification of the claims, list of stakeholders was filed before this Tribunal as per regulation 31 of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 and further as required under Regulation 31(2) read with regulation 12(3) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016 a public announcement has been made by the Liquidator intimating the public about the filing of the list of stakeholders to this Tribunal. The admission / rejection of the claims was also communicated to all the stakeholders.
13. The Applicant further submits that the stakeholders consultation committee was formed and conducted its 1st meeting on Aug 29th, 2019 wherein after due deliberations the Liquidator was advised to sell the Corporate Debtor as a going concern or to sell the individual business Units of the Corporate Debtor as a going concern. The copy of the minutes of the meeting has been filed in this Tribunal.
14. Accordingly the sale notice was issued on Sept 5th, 2019 in Sakshi and Business Line newspapers and the date of auction being Sep 20th, 2019. However, no bids are received for the sale notice issued for Corporate Debtor as a going concern or for individual business units of the Corporate Debtor.
15. After due deliberations in the second stakeholders consultation committee meeting held on Sep 23rd, 2019, sale process and reserve price were fixed. The stakeholders resolved to sell the Corporate Debtor as a going concern and accordingly Liquidator issued the sale notice on Sep 29th, 2019 in Financial Express, Namaste Telangana and Andhra Prabha News Papers and the date of auction was fixed on Oct 10th, 2019 and the last date for submission of EMD amount was fixed as Oct 7th, 2019.



16. The Applicant states since the Liquidator did not receive any EMD amount for the sale of Corporate Debtor as a going concern the e-auction scheduled on Oct 10th, 2019 was cancelled and Liquidator held 3rd stakeholders consultation committee meeting on Oct 11th, 2019. The members of the committee came to a consensus to reduce the reserve price by 5% of the previous action price and fixed the price at Rs. 51.70 crores and issued third sale notice on Oct 13th, 2019 in Business Standard, Namaste Telangana and Andhra Prabha News Papers, and fixed the E-auction date as Oct 22nd, 2019.
17. The Applicant avers, one individual applicant by name Dr. Devaiah Pagidipati deposited EMD amount of Rs. 5.17 Crs in the form of Demand Draft and participated in the E-auction held on Oct 22nd, 2019.
18. In the 4th Stakeholders Consultation Committee Meeting on Oct 23rd, 2019 Dr. Devaiah Pagidipati was declared as successful bidder who handed over the Demand Draft to Secured Financial Creditor, Bank of India / Petitioner and requested to deposit in the Liquidation Account.
19. Pursuant to e-auction, Letter of Intent was issued on Oct 29th, 2019 to the successful bidder who accepted the same.
20. The Applicant / Liquidator further submits that a sum of Rs. 41.53 Crores, Rs. 2 Crores and Rs. 3 Crores were paid on Nov 28th, 2019, 29th November, 2019 and on Dec 4th, 2019 respectively towards sale consideration 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 by the successful bidder.
21. In the 5th Stakeholders Consultation Committee Meeting convened on Nov 30th, 2019, the Liquidator informed the members about receipt of sale proceeds and the order of priority for its distribution as stipulated under Section 53 of IBC, 2016. Further the Liquidator apprised the members about receipt of Rs. 17,54,870/- as refund from the Income Tax Department for the AY 2017-18 that forms part of the Liquidation Proceeds.
22. It is further submitted that the Liquidator after payment of CIRP costs and Liquidation cost and the Liquidator remuneration, distributed the balance sale consideration as per the order of priority as stipulated in Section 53 of IBC, 2016 and also received confirmation from the Stakeholders towards receipt the same.
23. The Liquidator convened 6th Stakeholders Consultation Committee Meeting on Dec 18th, 2019 and informed the members about the issuance of sale certificate to the Successful Bidder and about preferring an Application u/s 66 of the IBC, 2016 to this Tribunal against Ex-directors of the company as per the forensic audit findings.
24. The Liquidator has issued Sale Certificate to the Successful Bidder on Jan 2nd, 2020. The Applicant submits that since the Corporate Debtor is sold as a going concern in Liquidation, this Application is filed requesting the Tribunal for closure of the Liquidation Process of the Corporate Debtor under Regulation 45(3)(a) of Insolvency and Bankruptcy Board of India (Liquidation Process) Regulations, 2016.
25. Tribunal (We) heard the Liquidator and perused the application filed by the Liquidator. She (G. Kalpana – Liquidator) has filed necessary documents along with the application. The Final report is filed vide memo dated Feb 19th, 2020. This IA is filed under Regulation 45 (3) of the Insolvency and Bankruptcy Code, 2016 praying the Adjudicating Authority to order for closure of the liquidation process of the Corporate Debtor Company as liquidation process is complete. The said provision reads as under:

"Regulation 45: Final report prior to dissolution.



(3) The liquidator shall submit an application along with the final report and the compliance certificate inform-I-I to the Adjudicating Authority for —

(a) Closure or the liquidation process of_ the corporate debtor where the corporate debtor is sold as a going concern; or

(b) For the dissolution of the corporate debtor, in cases not covered under clause (a)".

26. **"Where the assets of the Corporate Debtor have been completely liquidated, the Liquidator shall make an application to the Adjudicating Authority for the dissolution of such Corporate Debtor".**
27. The Liquidator would contend, pursuant to public announcement for e-auction carried out twice, none came forward for the bidding process. It is only in the third e-auction held on Oct 22nd 2019, Dr. Devaiah Pagidipati participated in the e-auction and was declared as successful bidder. On-going through the facts aforementioned and the material placed along with the Application, it is evident that the assets of Corporate Debtor were sold to Dr. Devaiah Pagidipati for Rs. 51.7 crores as against the average valuation of the Liquidation Estate of the Corporate Debtor as per valuers' report which is @ Rs. 34.23 crores only. The amount was transferred in three instalments i.e. Nov 28th, 2019, Nov 29th, 2019 and Dec 4th, 2019. It is seen from Form-H that the amount of Rs. 51.7 crores plus interest for delayed payment realized from the sale of Liquidation Estate was distributed among the stakeholders as per Section 52 or 53 of the Code. The details of distribution are at page 54 of the Final Report. The successful bidder previously preferred an Application bearing IA No. 1038 of 2019 seeking certain reliefs. This Tribunal vide order dated Nov 26th, 2019 disposed of the Application with certain directions and (or) granting reliefs by citing Regulation 32 of Liquidation Process Regulations which contemplates sale of assets of Corporate Debtor as a going concern, facilitating the successful bidder to purchase the Corporate Debtor/ M/S Southern Online Bio Technologies Limited as a going concern. Further by seeing the final report, it is evident that the Liquidator has sold the Corporate Debtor as a going concern as such it is a fit case for closure of Liquidation process.
28. As a sequel to the above, we hereby order closure of the Liquidation proceedings against the Corporate Debtor viz. **M/S SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** from the date of this Order, in terms of Regulation 45 (3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016. Consequently, the Liquidator stands relieved.
29. The Liquidator is directed to send the copy of this Order within 7 days from the date of pronouncement to the Registrar of Companies, Hyderabad and hand over all the books and files of the Corporate Debtor **M/S SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** which are in possession of the Liquidator to the successful bidder.
30. The Registry is directed to communicate this order to the Registrar of Companies, Hyderabad for updating the master data.
31. A copy of this order be also forwarded to the Insolvency & Bankruptcy Board of India, New Delhi.
32. In terms of the above, IA No. 196 of 2020 filed by the Liquidator appointed for **M/S SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED** (Corporate Applicant) for closure of Liquidation Process of the Company under Regulation 45 (3) of Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016 stands disposed of accordingly.
33. The applicant/ successful bidder has, inter alia, prayed that he may be permitted to transfer the entire bid amount to the corporate debtor/ liquidator, viz. Rs. 45 crore in the form of equity and the balance amount of Rs. 6.70 crores in the form of unsecured debt.



34. A direction be issued that after payment of the entire bid amount, the applicant gets all the rights, title and interest in the whole and every part of the corporate debtor including contracts free from security interest, encumbrance, claim, counter claim, or any demur in the applicant and the sale proceeds shall be distributed in accordance with section 53 of the IBC. a direction be issued that upon completion of sale of the corporate debtor as a going concern all the claims or demands made by or liabilities or obligations owned or payable to any actual or potential creditors of the corporate debtor including Government dues whether direct or indirect, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, secured or unsecured, disputed or undisputed in relation to any period prior to the e-auction date or arising on account of the acquisition of control by the applicant over corporate debtor pursuant to e-auction, will be written off in full and shall stand permanently extinguished.
35. 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.
36. A direction be issued that all the existing shares of the corporate debtor shall be extinguished and existing shareholders will become claimants from liquidation proceeds u/s 53 of the Code.
37. A direction be issued that upon payment of the entire bid amount, the corporate debtor, 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 the applicant and his associates, which shall constitute 100% of the equity of the corporate debtor, and such allotment shall be deemed to have been made in accordance with applicable laws.
38. A direction be issued permitting the applicant to get the shares listed as per the prevailing SEBI guidelines and that the corporate debtor be permitted to bring the public shareholding to within 12 months thereafter, in light of Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957, as amended.
39. A direction be issued that to show the status of the corporate debtor in the ROC records as 'active' from the status of 'liquidation' and that the listing rights of the corporate debtor be restored and the shares of the corporate debtor allotted pursuant to liquidation process shall get listed on the relevant stock exchanges.
40. A direction be issued that upon transfer of the entire bid amount, the Board of Directors of the corporate debtor be re-constituted as per the Companies Act and the SEBI guidelines and that the following individuals be permitted to act as Directors of the corporate debtor duly appointed under the provisions of the Companies Act, 2013, and direct the Registrar of Companies to do all such acts, deeds and things that are necessary to appoint the following individuals as directors of the corporate debtor, who are individuals recommended by the applicant, in order to enable the company to file relevant returns required by applicable law:

Name of the proposed Director's

✓ S Shri Devaiah Pagidipati	DIN :	05147621
✓ Mr.BrijMohan Venkata Mandala	DIN :	00295323
✓ Mr.Yalamanchili Rao Madana Mohana	DIN :	00745820

41. A direction be issued that all subsisting consents, licences, approvals, rights, entitlements, benefits and privileges whether under law, contract, lease or license, granted in favour of the corporate debtor or to which the corporate debtor is entitled to shall, notwithstanding any

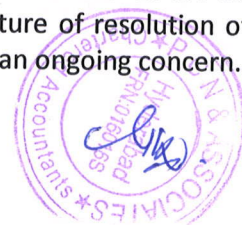


provision to the contrary in their terms, be deemed to continue without disruption for the benefit of the corporate debtor and all additional licences, registrations and consents to operate required by the corporate debtor be made available immediately on payment of the entire bid amount.

42. A direction be issued that the corporate debtor shall have a right to review and terminate any contract that was entered into prior to the date of liquidation order.
43. A direction be issued that all the benefits availed by the corporate debtor under Special Economic Zone Act, 2005, will be continued to the applicant.
44. A direction be issued exempting the corporate debtor from payment of registration fee/ stamp duty and other local levies, taxes, duties with respect to transfer of the bid amount.
45. Passed an order to provide the applicant 100% exemption on stamp duty and registration fee and all local taxes and levies imposed by the appropriate Governments, applicable in respect of any transaction required to be undertaken pursuant to the e-auction, and taxes thereon.
46. A direction be issued that upon completion of sale of the corporate debtor as a whole as a going concern, all the assets specified in Annexure-5 of the complete e-auction process document dated Oct 13th, 2019 shall continue to be the assets of the corporate debtor, towards which the applicant has made payment.
47. As transpired during the course of hearing of the application on Nov 20th, 2019 the PCS has furnished the names of seven shareholders vide Memo dated Nov 21st, 2019. The names of shareholders read as under:

S No.	Name	Number of shares to be allotted.
1.	Devaiah Pagidipati	4,49,94,000
2.	Rudramma Devi Pagidipati	1 000
3.	Brij Mohan Mandala	1,000
4.	Rajasekhar Gopalajosyula	1,000
5.	Gottipati Venkata Rama Krishna Prasad	1,000
6.	Raghuram Garimella	1,000
7.	Komma Reddy Fatima Reddy	1 000

48. The respondent/ Liquidator has filed Counter Affidavit dated 19.11.2019 stating that the highest amount offered by one of the resolution applicants in the Resolution Plan being Rs.36,08,29,915/- has been rejected by the Committee of Creditors and the respondent has been advised to file an application before this Tribunal to liquidate the corporate debtor. Vide order dated 16.07.2019 passed in IA No.565 of 2019 this Tribunal has appointed the respondent as Liquidator to conduct the liquidation process of the corporate debtor.
49. If the Unit was sold during liquidation, IBBI (Liquidation Process) Regulations 2016 would apply to Liquidation process under Chapter – III of Part II of IBC, whereas when the Corporate Debtor is in CIRP, Under Chapter-II of part – II of IBC, the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 would apply.
50. Regulations 32 of Liquidation Process Regulations provides for sale of assets of Corporate Debtor as ongoing concern. The object of the Code is not for liquidation but for resolution. In the instant case, the Unit was sold as ongoing concern which is more or less in nature of resolution of the Corporate Debtor. The Applicant came forward for purchasing the unit as an ongoing concern. The



mere purchase of the Unit as ongoing concern without granting certain other reliefs that would be essential and necessary to run the business as an ongoing concern is of no use. In other words, purchasing the Units as ongoing concern without granting necessary reliefs to the Applicant does not serve the purpose of purchasing the Unit as ongoing concern. Most of the reliefs sought for in the Application are in the nature of certain compliances required to be done under the Companies Act, 2013. The Applicant is bound to follow the law laid down under the Companies Act, 2013 since he is the purchaser of Corporate Debtor Unit as ongoing concern. It is but natural that he is to be granted necessary reliefs in order to enable him to follow the procedure prescribed under the Companies Act, 2013 so as to make the Company as ongoing concern. Section 60 (5) (c) empowers the Adjudicating Authority to grant necessary reliefs even during Liquidation.

51. No doubt, Liquidation process Regulations do not provide for granting specific type of reliefs to the Applicant. However, when Corporate Debtor is being sold as an ongoing concern, naturally the purchaser is entitled for consequential reliefs to achieve the object of running the unit as ongoing concern. Therefore, it is a fit case to grant certain reliefs in favour of the Applicant/purchaser which are more or less in the nature of complying necessary provisions of Companies Act, 2013. Regarding tax reliefs, it is always open to the purchaser to approach the concerned parties and seek reliefs.
52. We will deal with the reliefs prayed to separately. The Applicant requested the Tribunal to allow him to pay the bid amount to the Liquidator i.e. Rs. 45 Crores against which new equity capital shall be created by Applicant and the balance of Rs. 6.7 crore in the form of unsecured debt. The Liquidator is directed to look into the request of Applicant and accordingly permit the Applicant to pay the bid amount in the form suggest by the Applicant if permissible.
53. The applicant further prays that the direction be given that he will be entitled to all rights, title and interest in the whole and every part of the Corporate Debtor as soon as payment of balance of bid amount, Since Applicant purchased the unit as ongoing concern and naturally Applicant will be entitled to the Corporate Debtor as a rightful owner on payment of balance of bid amount. There is no need to give any separate direction because it is very much implied that when the applicant purchased the Company as ongoing concern, he will be owner and entitled to all the benefits as owner of the company.
54. The Applicant further prayed a direction that he will be relieved of all the liabilities arising prior to e-auction date or arising on account of acquisition of control over the Corporate Debtor and liabilities to be treated as extinguished which accrued prior to e-auction date. Already Liquidator called for claims. The Liquidator should have received the claims and it is for the Liquidator to Look after the claims admitted by her which are to be dealt according to provisions of the Code. In the event if any claim which is stated to be due prior to e-auction, the Applicant is therefore not liable to pay the same and a direction can be given that Applicant is relieved of the liabilities that accrued prior to e-auction date.
55. The Applicant further sought a direction from the Tribunal that any decree passed against the Corporate Debtor by any court, the same will not be enforced against the Corporate Debtor. It is not brought to the notice of the Tribunal that any case is pending against Corporate Debtor. The amount, if any covered by a decree, the person who is obtaining the decree would have naturally filed a claim before the Liquidator. We already made it clear that it is for the Liquidator to look after the claims filed with her during liquidation.
56. **The Applicant further prays that the existing shares of Corporate Debtor shall stand extinguished and existing share share holders will become claimants from liquidation proceeds since corporate debtor is sold as "OnGoing Concern". We hold the interest of the existing shareholders of the Corporate Debtors to be dealt by Liquidator under Section 53 of the code.**



44 . Capital Redemption Reserve:

Equity	Rs. 58,99,32,880 /-
Securities Premium Reserve	Rs. 25,31,87,500 /-
Share warrants forfeited premium	Rs. 3,31,63,000 /-
Share Application Money	Rs. 30/-

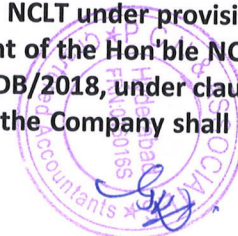
Southern Online Bio Technologies Limited (Company) has been admitted for Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an Order of the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") dated 05th October, 2018 and Ms. CA G Kalpana was appointed as Interim Resolution Professional w.e.f. 05th October, 2018. Subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the IBC Code. Since, no resolution plan came forth, the Committee of creditors in its 14th meeting resolved to liquidate the Company. Following which the Hon'ble NCLT, Hyderabad bench on 16th July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Company by appointing Mrs. CA G Kalpana as Liquidator of the Company. Thereafter the Company was sold to Dr Devaiah Pagidipati as a going concern which was approved by Hon'ble NCLT vide its Order dated November 26, 2019 by extinguishing all the existing shares of the Company and the existing shareholders will become claimants from liquidation proceeds u/s. 53 of the IBC code. According to the said Order of the NCLT, the Company shall without requirement of any further act, deed or thing, shall allot 4,50,00,000 shares at a face value of Rs. 10/- each to Dr Devaiah Pagidipati and his associates which shall constitute 100% of the equity of the Company. In compliance with the NCLT Order dated November 26, 2019 read with Sale Certificate issued by the Liquidator in 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. The earlier share capital has been transferred to Capital Redemption Reserve of the Company as on March 31st, 2020 as tabulated above. The earlier shareholders will be written off in full and shall stand permanently extinguished due to the same earlier Equity Shares transferred to Capital Redemption Reserve account, and the earlier Share warrants forfeited Premium and Securities Premium Reserve were been transferred to Capital Redemption Reserve.

Earlier Equity, Securities Premium Reserves, Share warrants forfeited premium and pending allocation of Share Application Money has been transferred to Capital Redemption Reserve and the same has been transferred to Reserves and surplus.

As per the NCLT order the New Management cancelled all the entire paid-up capital as stated above were been extinguished and existing shareholders (Equity Rs. 58,99,32,880 /-) of the earlier paid up capital will become claimants from the liquidation proceeds since corporate debtor is sold as going concern.

As per the NCLT order, The Applicant further prays that the existing shares of Corporate Debtor shall stand extinguished and existing shareholders will become claimants from liquidation proceeds since corporate debtor is sold as ongoing concern.

Company filed an application "Corporate Actions" on Dec 4th, 2020 to Bombay Stock Exchange Reduction of Share Capital of Southern Online Bio Technologies Ltd. (Scrip Code 532669) as per Insolvency & Bankruptcy Code 2016, Keeping Record Date as Dec 12th, 2020 "Trading members of the Exchange are hereby informed that, Southern Online Bio Technologies Ltd. has fixed the Record Date for the purpose of the reduction of share capital of the Company as per the Order passed by the Hon'ble National Company Law Tribunal, Hyderabad Bench under provisions of Insolvency and Bankruptcy Code 2016: As per the Order passed by Hon'ble NCLT under provision of Insolvency & Bankruptcy Code 2016 Reduction of Share Capital: Pursuant of the Hon'ble NCLT Order dated November 26, 2019 in IA No. 1038/2019 in CP(IB) No. 343/7/HDB/2018, under clause 2 (e, f), 3, 19, 20, all the existing shares of 5,89,93,288 of Rs. 10/- each of the Company shall be



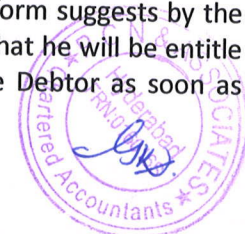
extinguished and such existing shareholders will not be entitled to any shares of the Company and they may approach the then liquidator of the Company for making claims from liquidation proceeds u/s 53 of the Code, Trading members are requested to note that the equity shares of the company are currently suspended from trading”.

Since the allotment in ROC / BSE were been under process through RTA, the infusion of New Capital to the tune of Rs. 45.00 Crs were been considered as share application money for the preparation of balance sheet.

SI No	Name and Address of the Allottee	Regd. Folio No	Share Certificate No	Distinctive No's.	No. of Equity shares of Rs. 10/- each
1	Dr Devaiah Pagidipati H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	01	01	01 to 4,49,94,000	4,49,94,000
2	Dr P Rudrama Devi H.No.1-118/1/8/409, Jayabheri Silicon County, Kondapur, Hyderabad 500084	02	02	4,49,94,001 to 4,49,95,000	1,000
3	Mr.BrijmohanVenkata Mandala 7-1-35-35/A, Flat No-405, ViswaSwapnika Apartment, ShyamKaram Road, Near KK Function Hall, Ameerpet, Hyderabad 500016	03	03	4,49,95,001 to 4,49,96,000	1,000
4	Mr.Rajasekhargopalajosyula 1-2-607-27-6, ACT College Road, Opp. ESI Dispensary, Gandhinagar, Secunderabad, Hyderabad 500080	04	04	4,49,96,001 to 4,49,97,000	1,000
5	Mr.GottipatiVenkata Rama Krishna Prasad 1-283, Co-operative Bank, Poranki (rural), Poranki, Krishna Dist-521137 Andhra Pradesh	05	05	4,49,97,001 To 4,49,98,000	1,000
6	Mr.RaghuramGarimella 4-11-31, Himagiri Colony, Road No-3, GandamGuda Village, Hydershahkote, Golkonda, Hyderabad, Telangana 500091	06	06	4,49,98,001 to 4,49,99,000	1,000
7	Mr. Fatima Reddy Kommareddi 3-4-63/19/92, Sriramanapuram, Church colony, Ramanthpur, Uppal, KV Rangareddy Dist. Telangana 500039	07	07	4,49,99,001 to 4,50,00,000	1,000

45 . Unsecured Loan:

Dr Devaiah Pagidipati requested the NCLT Honourable Court (Hyderabad) with the reliefs prayed for separately requested the Tribunal to allow him to pay the bid amount to the Liquidator i.e., Rs. 45.00 Crores against which new Equity shall be created by applicant and the balance amount of Rs. 6.7 Crores in the form of **Unsecured debt**. The liquidator is directed to look into the request of Applicant and accordingly permit the Applicant to Pay the bid amount in the form suggests by the Applicant if permissible. The applicant further prays that a direction be given that he will be entitle to all rights, title and interest in the whole and every part of the Corporate Debtor as soon as



payment of balance of bid amount, since applicant purchased the unit as ingoing concern and naturally applicant will be entitle to the corporate debtor as a right full owner on payment of balance of bid amount. There is no need to give separate direction because it is very much implied that when the applicant purchased the company as ongoing concern, he will be the owner and entitle to all the benefits as owner of the company.

Similarly in the Page No 11, Point 17 by the NCLT order states that in Page No 2, IA No. 1038 / 2019 vide Separate Orders, dated on Nov 26th, 2019 as "The applicant further prayed a direction that he will be relieved of all the liabilities arising prior to e-auction date or arising on account of acquisition of control over the Corporate Debtor and Liabilities to be treated as extinguished which accrued prior to E-Auction date. Already Liquidator called for claims. The Liquidator should have received the claims and it is for the Liquidator to look after the claims admitted by her which are to be dealt accordingly to provisions of the Code. In the event if any claim which is stated to be due prior to e-auction, the Applicant is therefore not liable to pay the same and a direction can be given that Applicant is relieved of the liabilities that accrued prior to e-auction date", therefore the considering the above statement as per the order the refunds above quoted should belongs to the company as per the New Management.

46 . Physical verification for fixed assets:

Physical Verification of the fixed assets aggregating to 5170.35 Lakhs (WDV as on March 31, 2020) and inventory aggregating to 214.10 Lakhs has been carried out under the insolvency process and under new management has been carried out. Management believe that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision is required in respect of such fixed assets and inventories.

47 .Written Offs (Bad Debts, Deposits, Chits, Loans & Advances, Chit funds, Investments, Loss of Stocks, Loss of BG, Insurance Receivables & Others etc.,)

The Visakhapatnam unit of the company was effected by the natural calamity i.e., Cyclone Hudhud on October 12th, 2014. Due to the cyclone, the unit has incurred the loss of Rs. 1,856.23 lakhs. The damages are covered with the insurance and the petition for the claim of such losses has already been filed with the insurance company. The said claim of the company is pending for approval since past 3 years with the National Insurance Company Limited, During the Year FY 18-19 an amount of Rs. 1,00,11,895 /- received during the insolvency proceeds and liquidation process, the said amount has been recognized in the last financial year as **erroneously income**.

Since the claim amount is pending more than 5 years, the same has been written off, but company would like to deal the said subject with insurance agencies, as and when the insurance receivable receives the same will be accounted as revenue.

The total amounts in the books of accounts were been long lastingly carried were been written off during the current year.

Description	Amount - Rs. Lakhs
Bad Debts	103.23
Deposits & Chits	68.6
Loans & Advances	251.72
TDS / Input Taxes Receivable	109.43
Loss of Stocks	244.43
Investments - Marvel	4.32



Insurance Claim Receivable	1,856.23
Loss of BG	111.15
Others	21.43
Total	2,770.54

48 . Revenue Recognised During the Year (Term Loans and Cash Credit)

The Liquidator paid the total sum of Rs. 48,85,60,598.78 to the secured financial creditors out of the Liquidation proceeds of Rs. 51,70,00,000/-

Amounts were owing to the lending banks both in respect of Cash Credit and Term Loans the amounts paid by the Liquidator to the individual banks were apportioned to the respective loan amounts in the ratio of the amounts owing. After such apportionment, the amounts due in respect of Term Liabilities were transferred to Other Revenues as Liabilities Written Back - Earlier Years (Bank Liabilities) to the profit statement as income of the year. As per the IND As, the economic benefit arising from the Liabilities Written off the Loans (As per the NCLT Order) has been recognised in statement of profit & loss.

The details are tabulated below:

Amount in Rs.

Sl.No.	Banks	CC	Term Loan	Paid Amount
1	Bank of India – April 1 st , 2019	40,03,40,510.39	1,46,90,32,643.24	22,89,00,195.10
	Bank of India – Mar 31 st , 2020	40,03,40,510.39	1,46,90,32,643.24	
	Less : Paid amount	4,90,20,721.60	17,98,79,473.50	
	Balance :	35,13,19,788.79	1,28,91,53,169.74	
2	State Bank of India – April 1 st , 2019	54,25,35,431.54	54,27,25,713.03	15,16,52,816.18
	State Bank of India – Mar 31 st , 2020	54,25,35,431.54	54,27,25,713.03	
	Less : Paid amount	7,58,39,702.92	7,58,13,113.26	
	Balance :	46,66,95,728.62	46,69,12,599.77	
3	Punjab National Bank – April 1 st , 2019	8,10,47,825.93	5,29,96,739.16	1,31,79,758.00
	Punjab National Bank – Mar31 st , 2020	8,10,47,825.93	5,29,96,739.16	
	Less : Paid amount	79,68,922.00	52,10,836.00	
	Balance :	7,30,78,903.93	4,77,85,903.16	
4	UCO Bank - April 1 st , 2019	15,81,47,917.20	37,91,88,207.46	9,48,27,829.50
	UCO Bank - Mar 31 st , 2020	15,81,47,917.20	37,91,88,207.46	
	Less : Paid amount	2,79,09,576.59	6,69,18,252.91	
	Balance :	13,02,38,340.61	31,22,69,954.55	
	Grand Total	1,02,13,32,761.94	2,11,61,21,627.23	48,85,60,598.78
	Grand Total of Balance Portion - Rs. Cr	102.13	211.61	48.86
	Sale Consideration			51,70,00,000.00
	Other Legal, Valuation, Professional Fees, Liquidation Expenses			2,84,39,401.22

The Applicant further prayed a direction that he will be relieved of all the liabilities arising prior to e-auction date or arising on account of acquisition of control over the Corporate Debtor and liabilities to be treated as extinguished which accrued prior to e-auction date. Already Liquidator called for claims. The Liquidator should have received the claims and it is for the Liquidator to Look after the claims admitted by her which are to be dealt according to provisions of the Code. In the event if any claim which is stated to be due prior to e-auction, the Applicant is therefore



not liable to pay the same and a direction can be given that Applicant is relieved of the liabilities that accrued prior to e-auction date.

As per the Section 41 (1) (a) if the Income Tax Act, 1961, any cessation of a liability in a year shall be brought to tax as the income of the year in which such cessation of liability occurs, where in such respect of such liability an allowance or deduction has been made in the assessment for any year in the past.

Accordingly, all such liabilities in respect of which the company had received the benefit of an allowance or deduction in the tax assessments in the past years and which liabilities are no longer payable by virtue of the order of the Hon'ble NCLT, were recognized as the income of the year in the state of Profit & Loss Statement.

Apart from the above liabilities, the Unsecured Loans of the earlier directors, Other Loans were been were transferred to Other Revenues as Liabilities Written Back - Earlier Years (Bank Liabilities) and the amounts due in respect of Term Liabilities were transferred to Other Revenues as Liabilities Written Back - Earlier Years (Bank Liabilities) to the profit statement as income of the year.

Earlier Equity, Securities Premium Reserves, Share warrants forfeited premium and pending allocation of Share Application Money has been transferred to Capital Redemption Reserve and the same has been transferred to Reserves and surplus.

49 . Assets Written Off

The company has written off Assets during the year to an amount of Rs. 4492.65 Lakhs/- (Inclusive of all assets, the major assets written offs under the Plant & Machinery head as described in notes):

During the FY	Asset Under Classified	Capitalized Items	Amount in Lakhs
2010-11	Plant & Machinery	Plant & Machinery	1,065
2010-11		Mr Kasubabu Contractor	69.08
2010-11		Mr Nageshwar Rao Contractor	71.10
2010-11		Murali Engineers & Fabricators	82.11
2010-11		Mr. D Shankar Rao - Contractor	85.71
2010-11		Parameshwari Steel Profiles	10.54
2010-11		Parameshwari Steel Profiles	9.51
2010-11		Boilers	88.56
2010-11		Cooling Towers	18.00
2010-11		Fabrication	38.89
2010-11		Lab Equipment's	41.79
2010-11		Motors & Pumps	24.55
2010-11		Nitrogen	24.82
2010-11		Aum Consultancy Pvt Ltd	255.83
2013-14		Pre – Operative Accounts	60.24
2013-14		Pre – Operative Accounts	84.39
2015-16		Pre – Operative Accounts	1,853.24
2015-16		Plant Maintenance	5.71
2015-16		Pre – Operative Accounts	5.96
2015-16		Pre – Operative Accounts	2,959.04
		Total	6,854.25



Description	Amount Rs.Lakhs
Total Depreciation under impairment of asset loss	2,371.44
Total Net Block written off in the books	4,482.80
Total Gross Block Removal from books of accounts	6,854.25

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

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

For P C N & Associates
Chartered Accountants
FRN: 016016S

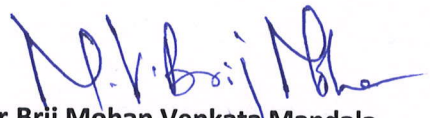



K Gopala Krishna
Partner
M.No. 203605

For Southern Online Bio Technologies limited




Dr. Pagidipati Devaiah
Director & CEO (DIN: 05147621)

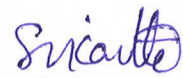


Mr. Brij Mohan Venkata Mandala
Director (DIN: 00295323)

Date: Dec 29th, 2020
Place: Hyderabad



Mr. U U V Ravikanth
Chief Financial Officer



Mr. Kolli Srikanth Reddy
Company Secretary



P C N & ASSOCIATES
CHARTERED ACCOUNTANTS
Plot No. 12, "N Heights"
Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081.

Tel. : (91-40) 2311 9499
E-mail : pcnassociates@yahoo.com

INDEPENDENT AUDITOR'S REPORT

To the Members of
SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

Report on the Ind AS Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Southern Online Bio Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the company as at 31st March, 2020, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion:

1. The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Southern Online Bio Technologies Limited ("the Company") on 5th October, 2018 (CP(IB) 343/07 HDB / 2018) and appointed G. Kalpana on Oct 5th, 2018 to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

G. Kalpana has appointed as Resolution professional as approved by the Committee of Creditors. Insolvency and Bankruptcy process under IBC code has started on Oct 5th, 2018 which is time bound by 180 days from the date of commencement of Insolvency process. The Resolution professional and Committee of the Creditors has conducted many meetings for invitation of expression of interest by resolution applicants but no resolution application received by Resolution professional. Further Committee of



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creditors directed the Resolution professional to apply for extension of time with Adjudicating authority as allowed by IBC code.

Adjudicating Authority has further extended 90 days towards Insolvency and resolution process. However no resolution plans has received by the company and mandatory time limit of Insolvency and bankruptcy process has completed on July 16th, 2019. The resolution professional has filed the Liquidation application with Adjudicating authority and Adjudicating authority has passed the liquidation order on and appointed G Kalpana (Resolution professional) as Liquidator under IBC code.

The liquidator has invited the interested buyers for the purpose of sale of company and Dr. Devaiah Pagidipati deposited EMD amount of Rs. 5.17 Crores in the form of Demand Draft and participated in the E-auction held on Oct 22nd, 2019.

on Oct 23rd, 2019 Dr. Devaiah Pagidipati was declared as successful bidder who handed over the Demand Draft to Secured Financial Creditor, Bank of India / Petitioner and requested to deposit in the Liquidation Account.

The assets of Corporate Debtor (Southern Online Biotechnologies) were sold to Dr. Devaiah Pagidipati for an total consideration amount of Rs.51.7 crores as the company as whole based on going concern. This consideration amount shall be in the form of Rs.45 crores in the equity and the balance amount of Rs.6.70 crores in the form of unsecured debt.

(Please refer to Note NO.43 notes to financial statements)

2. Amounts were owing to the lending banks both in respect of Cash Credit and Term Loans the amounts paid by the Liquidator to the individual banks were apportioned to the respective loan amounts in the ratio of the amounts owing. After such apportionment, the amounts due in respect of Term Liabilities were transferred to Other Revenues as Liabilities Written Back - Earlier Years (Bank Liabilities) to the profit statement as income of the year.

(Please refer to Note NO 49 to notes to financial statements)

3. The company has written off the differed tax Asset pertaining to earlier financial years to statement of profit & loss account in the current year amounting to Rs 80,20,60,591/-

(Please refer to Note NO.32 notes to financial statements)





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4. The Company has written off earlier unsecured loans taken by the company in acquaintance of NCLT order.

(Please refer to Note NO 43 notes to financial statements)

5. As per the NCLT order, the existing shares of Corporate Debtor(Southern Online Biotechnologies Limited) shall stand extinguished and existing shareholders will become claimants from liquidation proceeds since corporate debtor is sold as ongoing concern. Existing Equity share capital prior to corporate insolvency process, Securities Premium Reserves, Share warrants forfeited premium and pending allocation of Share Application Money has been transferred to Capital Redemption Reserve an amount of Rs 87,62,83,410/- In the current financial year 2019-2020. Approvals from SEBI, Stock exchange, Registrar of Companies towards the same are pending and approvals yet to be obtained.

(Please refer to Note NO.44 notes to financial statements)

6. The infusion of New Capital to the tune of Rs. 45.00 Crores were been considered as share application money for the preparation of balance sheet by the management of the Company.

(Please refer No 13 to notes to financial statements)

7. The company has written off Assets during the year to an amount of Rs. 4,492.65Lakhs/- (Inclusive of all assets, the major assets written offs under the Plant & Machinery head as described in notes):

(Please refer No50. to notes to financial statements)

8. The Visakhapatnam unit of the company was effected by the natural calamity i.e., Cyclone Hudhud on October 12th, 2014. Due to the cyclone, the unit has incurred the loss of Rs. 1,856.23 lakhs. The damages are covered with the insurance and the petition for the claim of such losses has already been filed with the insurance company. The said claim of the company is pending for approval since past 3 years with the National Insurance Company Limited. Since the claim amount is pending more than 5 years, the same has been written off.

(Please refer No.47 to notes to financial statements)





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Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the 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 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 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.





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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.





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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and, except for the effects of the matter described in the Basis for Qualified Opinion have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion the aforesaid Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B'**'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:





P C N & ASSOCIATES

CHARTERED ACCOUNTANTS

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E-mail : pcnassociates@yahoo.com

- I. The Company has disclosed the impact of pending litigation on its financial position to the extent ascertained, in its Ind AS financial statements
- II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- III. There have been no amounts required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2020.

For P C N & Associates.,

Chartered Accountants

FRN: 016016S

K Gopala Krishna

Partner

M.No. 203605

Place: Hyderabad

Date: Dec 29th, 2020

UDIN: 20203605 AAAA RX6919



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Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Southern Online Bio Technologies Limited on the Ind AS financial statements for the year ended 31st March 2020, we report that:

- i. (a) The company has not produced fixed assets register.
(b) As explained to us, the fixed assets have not been physically verified by the management during the year. Hence we are unable to comment on discrepancies between book record and physical assets.
(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, we are unable to examine the title deeds of immovable properties which are held in the name of the Company or not.
- ii. As explained to us the inventories were physically verified during the year by the management, but proof of such verification has not been produced. Consequently, discrepancies, if any between book stock and physical stock is not ascertained.
- iii. As register to be maintained by sec 189 of the companies act, 2013 has not been produced we are not in a position to comment on whether the company has granted any loans secured or unsecured to companies, firms, limited liability partnership or other parties.
- iv. We are not in a position to comment on details, as to whether provisions of Sec 185 and Sec 186 have been complied with in respect of loans, guarantees and securities, as relevant information with regard there to have not been provided by the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. We have broadly verified the books of accounts and records maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.





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vii. According to the information and explanations given to us and based on the records of the company examined by us, in respect of the Statutory dues,:

- a) There are some delays in depositing undisputed statutory dues including Sales Tax, Service Tax, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows which are recognised the books before the commencement of Insolvency Resolution process:

S.No	Description	Amount (Rs. Lakhs)
1	TDS	20.69
2	VAT	13.62
3	GST	12.34
4	ESI	0.61
5	PF	16.48
6	CST & Others	23.96

- viii. In our opinion, and according to the information and explanations given to us, the company has defaulted in principal repayment & interest to the banks and financial institutions, and those accounts were classified as Non- Performing Assets Prior to commencement of Insolvency process. Under the Insolvency Resolution process the company sold by the Liquidator and the proceeds of sale considerations has been paid off to the bank outstanding dues and no loan outstanding at the year ending 31st March 2020.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). No term loans were raised by the Company during the year.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has not paid/provided for managerial remuneration. Hence the provisions of section 197 read with schedule V to the Act is not applicable.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.





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- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P C N & Associates.,
Chartered Accountants
FRN: 016016S


K Gopala Krishna
Partner
M.No. 203605

Place: Hyderabad
Date: Dec 29th, 2020

UDIN: 20203605AAARX6919



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Annexure B to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Southern Online Bio Technologies Limited** ("the Company") as of 31st march 2020 in conjunction with our audit of Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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





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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 risk of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal





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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.

Basis for Qualified Opinion

1. During the Liquidation process, the Company has no appropriate internal controls for reconciliation of physical inventory with the inventory records, which has resulted in misstatement of inventory values in the books of account.
2. During the Liquidation process, the Company has no appropriate internal controls for recording financial information and maintenance of books of account, ledgers and other records.
3. During the Liquidation process, The Company has no appropriate internal controls for confirmation and reconciliation of trade receivables, trade payables, other current assets and current liabilities.
4. During the Liquidation process, the Company has no appropriate internal controls for the verification of fixed assets.

The inadequate supervisory and review control over Company's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit/loss after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, the company has, in all material respects, except for the effects of the matter described in the Basis for Qualified Opinion, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2020, 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





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Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended on March 31, 2020, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For P C N & Associates.
Chartered Accountants
FRN: 016016S


K Gopala Krishna
Partner
M.No. 203605



Place: Hyderabad
Date: Dec 29th, 2020

UDIN: 20203605AAAARX6919



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

CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of corporate governance by M/s. Southern Online Bio Technologies Limited ("the Company"), for the year ended March 31, 2020, as stipulated in Chapter IV 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.

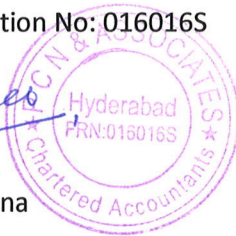
In our opinion and to the best of our information and according to the explanations given to us by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

For P C N & Associates.

Chartered Accountants

Firm Registration No: 016016S



K Gopal Krishna

Partner

Membership No: 203605

UDIN:

Place: Hyderabad

Date: Dec 29th, 2020