

22nd Annual Report 2019 – 2020



Southern Online Bio Technologies Limited
Smart Solutions and Eco Friendly

CORPORATE INFORMATION

Resolution Professional

Mrs. CA G Kalpana

Resolution Professional in the matter of

M/s Southern Online Bio Technologies Limited

Regn no. IBBI/IPA-001/IP-P00756/2017-2018/11288

Email ID:kalpanagonugunta1@gmail.com

Appointed by the Hon'ble NCLT vide its Order dated October 05, 2018 and continued up to June 22, 2020, the date on which the Hon'ble NCLT passed Order for closure of liquidation process against the Company.

New Board of Directors

Dr. Devaiah Pagidipati	- Executive Director (DIN: 05147621) [From January 27, 2020]
Mr. Brijmohan Venkata Mandala	- Non-Executive Director (DIN: 00295323) [From January 27, 2020]
Mr. Madana Mohana Rao Yalamanchili	- Independent Director (DIN: 00745820) [From January 27, 2020]
Dr. Divya Sunitha Raj Burra	- Independent Director (DIN: 01302512) [From 06.11.2020]

Audit Committee (from November 06, 2020)

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

Nomination & Remuneration Committee (from November 06, 2020)

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

Stakeholders Relationship Committee (from November 06, 2020)

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

Bankers

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

Statutory Auditors

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

Registrar & Transfer Agents

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

Plant Locations

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

Registered Office

Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana 500004
Tel: (040) 2324 1999, Fax: (040) 2324 1444
E-mail: cs@sol.net.in

CIN	:	L72900TG1998PLC030463
WEBSITE	:	www.sol.net.in
INVESTORS EMAIL ID	:	cs@sol.net.in

NOTICE

Shorter Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Southern Online Bio Technologies Limited will be held at Anion Conference Room, 8th Floor, Swarna Jayanti Complex, Beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038 on Thursday, the 31st day of December, 2020 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 together with the reports of the Board of Directors and of the Auditors thereon.

SPECIAL BUSINESS:

2. Appointment of Dr Devaiah Pagidipati as Chairman & Managing Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT notwithstanding that Dr Devaiah Pagidipati exceeds seventy years of age, pursuant to section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Dr Devaiah Pagidipati (DIN: 05147621), Director, be and is hereby appointed as "Chairman & Managing Director" of the Company under section 196, 197 and 203 of the Companies Act, 2013 with effect from January 01, 2021 for a period of three years.

FURTHER RESOLVED THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment / modification thereof), the consent of the Members of the Company be and is hereby accorded to pay minimum remuneration to Dr Devaiah Pagidipati, Managing Director for the Financial Year, in which there are no profits or profits are inadequate, during the period commencing from January 01, 2021 till the expiry of his term i.e. December 31, 2023.

FURTHER RESOLVED THAT the board of directors be and is hereby authorized to approve the payment of remuneration within the above mentioned ceilings from time to time during the tenure of Dr Devaiah Pagidipati.

FURTHER RESOLVED THAT within the overall limits as specified above, the Board is entrusted with the power to determine individual component(s) of remuneration.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

3. Regularization of Additional Director:

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

"RESOLVED THAT Mr. Yalamanchili Madana Mohana Rao (DIN:00745820), who was appointed as an Additional Director with effect from January 27, 2020 on the Board of the Company in terms of Section 161 of the

Companies Act, 2013 and in compliance with Hon'ble NCLT Order dated November 26, 2019 and who holds office up to the date of the ensuing General Meeting, and in respect of whom the board of directors vide its meeting held on November 13, 2020 recommends, under Section 160 of the Companies Act, 2013, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company whose period of office shall not be determinable by retirement of directors by rotation.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

4. Appointment of Independent Director:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT notwithstanding that Mr. Yalamanchili Madana Mohana Rao exceeds seventy five years of age during the tenure of his appointment, pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI LODR Regulations, 2015, Mr. Yalamanchili Madana Mohana Rao (DIN:00745820), who has submitted his Independent Director Registration No: IDDB-DI-202011-032769 and a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a period of five years with effect from December 31, 2020.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

5. Regularization of Additional Director:

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

"RESOLVED THAT Dr Divya Sunitha Raj Burra (DIN: 03412586), who was appointed as an Additional Director with effect from November 06th, 2020 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of the ensuing General Meeting, and in respect of whom the board of directors vide its meeting held on November 13, 2020 recommends, under Section 160 of the Companies Act, 2013, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company whose period of office shall not be determinable by retirement of directors by rotation.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

6. Appointment of Woman Independent Director:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI LODR Regulations, 2015, Dr Divya Sunitha Raj Burra (DIN: 03412586), who has submitted her Independent Director Registration No: IDDB-DI-202011-032887 and a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Woman Independent Director of the Company for a period of five years with effect from December 31, 2020.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

7. Increase in the limits for borrowings:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any Body corporate/ entity/entities and/or authority/authorities, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding a sum of Rs. 250 crores (Rupees Two Hundred Fifty Crores only) for the Company, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves.

FURTHER RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed a sum of Rs. 250 crores (Rupees Two Hundred Fifty Crores only) for the Company at any time.

FURTHER RESOLVED THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

8. To make investments, give loans, guarantees and security in excess of limits specified under section 186 of the Companies Act, 2013:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013, read with The Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof for the time being in force), if any, the approval of the members of the Company be and is hereby accorded to the Board to (a) give any loan to any Body corporate(s) / person (s); (b) give any guarantee or provide security in connection with a loan to any Body corporate(s) / person (s); and (c) acquire by way of subscription, purchase or otherwise, securities of any Body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding INR 250 crores (Rupees Two Hundred Fifty crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

FURTHER RESOLVED THAT in case of divestment of the investment, the Directors of the Company be and are hereby authorized to sign the necessary applications, papers, forms, documents etc. for effective implementation of decision of divestment taken by the Company from time to time.

FURTHER RESOLVED THAT for the purpose of giving effect to the above, Board of Directors or Company Secretary of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

9. Approval for conversion of loan in to equity

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to provisions of Section 62 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) of the Companies Act, 2013, the provisions of the Memorandum and Articles of Association of the Company, clause 15 of the written Order passed by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad bench dated November 26, 2019, the consent of the shareholders of the Company be and is hereby accorded to the terms and conditions, of Dr Devaiah Pagidipati, Promoter (hereinafter referred to as Lender) of the Company against the unsecured loan amount of Rs. 6.70 crores as per clause 15 of the NCLT Order dated November 26, 2019, which inter-alia includes that the Lender shall have absolute right to convert the outstanding amounts and all monies due/ payable by the Company to the Lender in part/ or full, in one or more tranches, into full paid up equity shares of the Company, in accordance with the provisions of the Companies Act, 2013 and relevant guidelines/ regulations issued by the SEBI as amended or modified or replaced from time to time by any rules, regulations, notifications, circulars or orders by the SEBI in this regard or any other governmental agency in this regard.

FURTHER RESOLVED THAT allotment of equity shares to Dr Devaiah Pagidipati against conversion of unsecured loan shall rank pari-passu in all respects with the existing equity shares of the Company and that they shall be entitled to pro-rata dividend from the date of allotment.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board of Directors in its absolute discretion may deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution on it, to any committee of Directors or any person or persons, as it may in its absolute discretion deem fit in order to give effect to this resolution."

By Order of the Board
For Southern Online Bio Technologies Ltd

Place: **Hyderabad**
Date: **December 29, 2020**

Srikanth Reddy Kolli
Company Secretary

Notes:

1. **A member entitled to attend and vote at this Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM is annexed hereto.
3. Members/proxies/authorized representatives are requested to bring their copies of Annual Report and produce duly filled in attendance slip at the entrance of the venue. Members holding shares in Demat form shall write their DP ID No. and Client ID and those holding in Physical form shall write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
4. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE371B01015. Trading in the equity shares of the Company through Stock Exchanges was made compulsory in dematerialized form. Shareholders are advised to open demat accounts with any of the Depository Participants (DPs) of their choice registered with NSDL and CDSL and convert their physical holding into electronic holding.
5. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company / Registrar and Share Transfer Agents, M/s. Bigshare Services Private Limited (Bigshare). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends.
6. Non-Resident Indian Members are requested to inform Bigshare, immediately of:
 - a. Change in their residential status on return to India for permanent settlement
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.
7. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
8. All relevant documents referred in the accompanying Notice and explanatory statement are open for inspection to the Members at the Registered Office of the Company during business hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to Bigshare.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Bigshare/Depository Participant to enable the Company to send communications electronically.
11. The Notice of the AGM along with the Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

12. Members may also note that the Notice of the 22nd AGM and the Annual Report 2019-20 will be available on the Company's website, www.sol.net.in. The physical copies of the documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members desiring any information as regards accounts are requested to write to the Company to: cs@sol.net.in, at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
13. Pursuant to the requirement under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information about the directors proposed to be re-appointed / appointed is given in **Annexure – A** to the notice.

14. Instruction about Voting:

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

A) Voting through ballot means:

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

The shareholders of the Company, holding shares either in physical form or in dematerialized form, as of **December 30, 2020** (i.e., the cut-off date) may cast their vote in the ballot box at the venue of AGM.

The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on December 30, 2020.

Mr Y Ravi Prasada Reddy, Practicing Company Secretary (C.P. No: 5360), has been appointed as the Scrutinizer to scrutinize the voting process at the venue of the 22nd AGM in a fair and transparent manner.

B) Other Instructions:

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

By Order of the Board
For Southern Online Bio Technologies Ltd

Place: **Hyderabad**
Date: **December 29, 2020**

Srikanth Reddy Kolli
Company Secretary