

23rd Annual Report 2020 – 2021



Southern Online Bio Technologies Limited
Smart Solutions and Eco Friendly

CORPORATE INFORMATION**Board of Directors**

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

Chief Financial Officer

Mr U U V Ravikanth

Company Secretary

Mr Srikanth Reddy Kolli

Bankers

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

Statutory Auditors

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

Registrar & Transfer Agents

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

Plant Locations

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

Registered Office

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

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

Corporate Office

Flat No. 602, 6th Floor, Swarna Jayanti Complex, Beside Maitrivanam, Ameerpet, Hyderabad 500038 TG

Tel: (040) 2374 6600,

E-mail: cs@sol.net.in

Secretarial Auditors

CSB Associates

Company Secretaries,

3-6-481, Above Vijaya Bank,

Street No.6, Himayatnagar, Hyderabad- 500 029

Internal Auditors

Mr. G S Gowtham,

Practicing Chartered Accountant,

#40-15-3, Brindavan Colony, Labbipet, Vijayawada – 10

Board Committees:

Audit Committee

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

Stakeholders Relationship Committee

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

Nomination and Remuneration Committee

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

NOTICE

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements (Standalone and Consolidated) of the Company for the year ended 31 March 2021 including Audited Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date along with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr Brijmohan Venkata Mandala (DIN: 00295323), who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

3. Approval of Related Party Transactions:

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

"RESOLVED THAT Reg. 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Listing Agreement with the Stock Exchange(s), (as amended from time to time by Stock Exchange or by the Securities and Exchange Board of India and for the time being in force), and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification (s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for entering into transactions, contracts or arrangements on such terms and conditions as the Board may think proper and beneficial for the Company with the below mentioned related parties during every financial year commencing after 31st March, 2021 up to maximum amount per financial year mentioned below, for a period of 3 (three) years.

S. No.	Name of the Related Party	Nature of Transactions	Max. amount per financial year	Price
1	Southern Biofe Biofuels Pvt Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
2.	Bheem Online Services Limited	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price

3.	Evaitya Private Limited	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
4.	Inventcorp Technologies Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
5.	Freedom Health Management Pvt Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
6.	Awlencan Innovations India Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
7.	PB Aero Freedom Services Pvt Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
8.	NEO Institute of Medical Services and Technology Ltd	Availing/ Providing of Services/goods/Loan/ Advance	25 Cr.	Arm's length price
9.	Sathwik Projects Private Limited	Availing/ Providing of Services/goods/Loan/ Advance	50 Cr.	Arm's length price
10.	Key Managerial Personnel	Managerial Remuneration	Within the limits approved by the board & members	--
11.	Others	Unforeseen	Upto Rs.10 Cr. per transaction	Arm's length price

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

By Order of the Board
For Southern Online Bio Technologies Ltd

Place: Hyderabad
Date: August 10, 2021

Srikanth Reddy Kolli
Company Secretary

NOTES:

1. **A member entitled to attend and vote at this Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the AGM is annexed hereto.
3. Members/proxies/authorized representatives are requested to bring their copies of Annual Report and produce duly filled in attendance slip at the entrance of the venue. Members holding shares in Demat form shall write their DP ID No. and Client ID and those holding in Physical form shall write their Folio No. in the attendance slip for attending the meeting. Copies of Annual Reports will not be provided at the meeting.
4. The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE371B01023. Trading in the equity shares of the Company through Stock Exchanges was made compulsory in dematerialized form. Shareholders are advised to open demat accounts with any of the Depository Participants (DPs) of their choice registered with NSDL and CDSL and convert their physical holding into electronic holding.
5. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to the Company / Registrar and Share Transfer Agents, M/s. Aarthi Consultants Pvt Ltd (RTA). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends.
6. Non-Resident Indian Members are requested to inform RTA, immediately of:
 - a. Change in their residential status on return to India for permanent settlement
 - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the Bank with pin code number, if not furnished earlier.
7. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the Members at the AGM.
8. All relevant documents referred in the accompanying Notice and explanatory statement are open for inspection to the Members at the Registered Office of the Company during business hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays up to the date of the AGM.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to RTA.
10. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with RTA/Depository Participant to enable the Company to send communications electronically.
11. The Notice of the AGM along with the Annual Report 2020-21 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

12. Members may also note that the Notice of the 23rd AGM and the Annual Report 2020-21 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:

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

A) Voting through ballot means:

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

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

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

Mr Y Ravi Prasada Reddy, Practicing Company Secretary (C.P. No: 5360), has been appointed as the Scrutinizer to scrutinize the voting process at the venue of the 23rd 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: August 10, 2021

Srikanth Reddy Kolli
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

Approval of Related Party Transactions:

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

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

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

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

Place: Hyderabad
Date: August 10, 2021

By Order of the Board
For Southern Online Bio Technologies Ltd

Srikanth Reddy Kolli
Company Secretary

Annexure – A

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

A	Name	Mr Brijmohan Venkata Mandala
B	Brief Profile	
	i) Age	55 years
	ii) Educational Qualification	M S (Computer Engineering)
	iii) Experience in specific functional area	Brij is the CEO of Anion Healthcare Services. He is responsible for the operations at Anion, Hyderabad. He has well over 20 years of experience as a Senior Management and Technology expert. He leads the team at Anion on the strategy, business, and operations. He has a deep knowledge on functional space across multiple verticals. His career started at the Old Dominion University, USA as Teaching Assistant, and moved onto a Research Assistant role on a NASA project. Later he worked on Oracle technology and executed several projects on offshore basis. Subsequently, with a group of investors, he started Pointsoft in India and ran the company as CEO till 2007. Bartronics acquired Pointsoft in 2007 and Brij joined them as Senior Vice President heading E-Governance and Insurance Smart Cards Projects. Brij has a Masters in Computer Engineering from Old Dominion University, Norfolk, VA.
	iv) Date of appointment on the board of the Company	27 th January, 2020
C	Nature of expertise in functional area	Mentioned in clause B (iii) above.
D	Directorship held in other Companies (excluding foreign and Section 8 Companies)	1. Kellton Tech Solutions Limited 2. Awlencan Innvoations Pte Ltd 3. Southern Biofe Biofuels Pvt Ltd 4. Awlencan Innovations India Limited 5. Inventcorp Technologies Limited 6. E Vaidya Private Limited 7. Freedom Ehealth Management Private Limited 8. Kellton DBYDX Software Pvt Ltd.
E	Chairmanship/ Membership of committees of other Companies (includes only Audit, Stakeholders Relationship and Nomination & Remuneration Committee)	Chairman of Audit and Stakeholders Relationship Committees of Kellton Tech Solutions Limited Member of Nomination and Remuneration Committee of Kellton Tech Solutions Limited
F	No. of shares of Rs.10/- each held by the Director	1,000 equity shares of Rs 10/- each.
G	Relationship between Directors inter se (As per section 2(77) of the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014)	Nil

BOARDS' REPORT

Dear Members,

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

Closure of Liquidation process against the Company

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

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

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

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

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

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

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

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