

Date: January 12, 2021

To
Listing Compliance Department
M/s. BSE Limited
P.J. Towers,
Dalal Street, Fort,
Mumbai – 400001.

Dear Sir/Madam,

Sub: Revised Financial Results as per IND AS format with reference to your email dated January 05, 2021 stating Discrepancies in Standalone Financial Results

Ref: Scrip code. SBTL / 532669

With reference to your email dated January 05, 2021 stating Discrepancies in Standalone Financial Results, please find enclosed the copy of:

1. Revised audited financial results and statements of the Company for the quarter and year ended March 31, 2020.
2. Statement of Assets & Liabilities and Cash flow statement for the year ended March 31, 2020.
3. Auditors Report issued by M/s. P C N & Associates., Chartered Accountants, Statutory Auditors of the Company on aforesaid Audited Financial Results.
4. Statement on impact of audit qualifications.

This is for your information and record please.

Thanking you
For **Southern Online Bio Technologies Ltd**


Srikanth Reddy Kolli
Company Secretary

Encl: A/a.

An ISO 9001:2008 Certified Company
CIN: L72900TG1998PLC030463

Registered Office: # A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500 004, Telangana, India.
Phones: +91 40 23241999, +91 40 44341999, Fax: +91 40 23241444, email: info@sol.net.in website: www.sol.net.in
Unit- I: Survey No 6 & 7, Samsthan Narayanapur (Village & Mandal), Yadadri Bhuvanagiri Dist., Telangana, India, Phone: +91 8681 287575
Unit- II: Plot No.45/A, APIIC-SEZ, Atchutapuram (V&M), Visakhapatnam Dist.-531 011, Andhra Pradesh, India.

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED						
AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31.03.2020						
S. No	Particulars	Quarter Ended			Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		Audited	Un Audited	Audited	Audited	Audited
1	a) Revenue from Operations (Net Sales / Income from Operations Net of Excise Duty)	49.21	51.65	(22.62)	209.07	259.35
2	b) Other Income	33,450.77	2.98	102.38	33,457.03	111.32
3	Total Revenue (a+b)	33,499.98	54.63	79.75	33,666.10	370.66
4	Expenses					
	a) Cost of materials consumed.	0.00	-	-	1.69	-
	b) Purchases of Stock - in - trade.	(244.43)	-	-	(244.43)	-
	c) Changes in inventories of finished goods , work-in-progress and stock-in-trade.	244.43	-	-	244.43	-
	d) Employee benefits expenses.	20.07	15.77	16.14	66.99	81.70
	e) Depreciation and amortisation expense.	244.57	245.18	234.60	980.11	989.54
	f) Other expenditure (Any item exceeding 10 % of the total expenditure to be shown separately)					
	- Bandwidth / Other Expenses	28.11	26.43	42.54	110.17	165.12
	- Power and Fuel	1.95	2.83	1.67	7.35	7.35
	- Stores and Spares Consumed.	1.69	-	-	-	-
	- Operating Expenses	4,500.86	11.27	49.35	20.65	69.98
	- Administration Expenses .	85.78	14.10	12.13	3,371.97	28.61
	- Marketing Expenses.	1.73	3.17	0.05	17.78	14.99
	- IROAF Construction Expenses.	-	-	-	1.82	-
	- Other Non Operative Expenses	3,268.47	4.96	-	4,511.69	2.85
	- Finance Cost	(16.90)	6.96	0.76	10.50	613.77
	Total Expenses	8,137.32	330.66	357.25	9,098.90	1,973.94
5	Profit before Exceptional and extraordinary items and tax (3-4)	25,362.66	(276.03)	(277.49)	24,567.20	(1,603.28)
6	Exceptional Items.					
7	Profit before extraordinary items and tax (5-6)	25,362.66	(276.03)	(277.49)	24,567.20	(1,603.28)
8	Extraordinary Items					
9	Profit before tax (7-8)	25,362.66	(276.03)	(277.49)	24,567.20	(1,603.28)
10	Tax Expenses.					
	i) Current Tax					
	ii) Deferred Tax	6,884.58	365.77	(6,234.79)	7,984.89	(6,143.24)

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11	Profit / (Loss) for the period from Continuing Operations (9-10)	18,478.09	(642.80)	5,957.30	16,582.31	4,539.96
12	Profit / (Loss) from Discontinuing Operations (net of tax expenses)					
	1) Losses					
	2) Insurance claim					
13	Profit / (Loss) from Discontinuing Operations (net of tax expenses) (11-12)	18,478.09	(642.80)	5,957.30	16,582.31	4,539.96
14	Tax Expenses of Discontinuing Operations	-	-	-	-	-
15	Profit / (Loss) from Discontinuing Operations (After Tax) (13-14)	18,478.09	(642.80)	5,957.30	16,582.31	4,539.96
16	Profit / (Loss) for the period (11+15)					
17	Paid up equity share capital (Face value of Rs. 10/- per Equity Share)	-	5,899	5,899	-	5,899
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year.					
19	Earning per share					
	Basic	-	(1.09)	10.10	-	7.70
	Diluted	-	(1.09)	10.10	-	7.70

Notes:

1. The above audited financial results for the quarter and year ended March 31, 2020 have been reviewed by the audit committee and approved by the Board of Directors at its meeting held on December 29, 2020. The statutory auditors have expressed a modified opinion on these results.
2. The above audited financial results have been prepared in accordance with IND – AS – interim financial reporting prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
3. During the year, the Company was undergone the liquidation process and was acquired as a going concern by an NRI – Dr Devaliah Pagidipati for an amount of Rs. 51.7 Crores and these results and financial statements were prepared in compliance with the order of Hon'ble NCLT, Hyderabad bench dated November 26, 2019.
4. The Company operates in two segments i.e., 1. Internet Service Provider 2. Bio-Diesel Manufacturer.
5. The audited financial results for the quarter and year ended March 31, 2020 are available in the Company's Website www.sol.net.in and in the website of BSE Limited, www.bseindia.com.

For Southern Online Bio Technologies Limited


Dr Devaliah Pagidipati
 Director & CEO

Place: Hyderabad

Date: December 29, 2020



SOUTHERN ONLINE BIO TECHNOLOGIES LTD

M/s. Southern Online Bio Technologies Limited
Balance Sheet for the Year ended March 31, 2020

(in Rs.)

Particulars	31-Mar-20	31-Mar-19
I. ASSETS		
1) Financial assets:		
(a) Cash and cash equivalents	7,53,203	36,33,066
(b) Trade receivables	1,69,89,088	4,35,62,581
(c) Short-term loans and advances	1,62,393	22,74,77,835
(d) Other current assets	25,06,277	5,96,61,091
2) Non - Financial Assets		
(a) Inventories	2,14,10,908	4,58,53,762
(b) Financial assets: Investments	48,34,245	60,01,108
(c) Deferred tax assets (net)	-	77,31,75,635
(d) Fixed assets		
(i) Property, Plant and Equipment	51,70,31,567	1,06,94,92,947
(ii) Capital work-in-progress	-	-
(e) Long term loans and advances	2,14,83,902	1,29,32,310
(f) Other non-current assets	2,95,36,888	21,34,925
Total	61,47,08,471	2,24,39,25,260
II. LIABILITIES & EQUITY		
1) Financial Liabilities		
(a) Trade payables	1,22,17,434	10,13,59,302
(b) Debt Securities (CC, LC Devolvement etc.,)	-	1,81,62,70,303
(c) Debt Securities (Long-term borrowings)	7,87,55,000	1,85,60,35,957
(d) Deposits	2,50,300	5,85,60,571
2) Non Financial Liabilities		
(a) Short-term provisions	36,92,517	2,54,50,184
(b) Deferred tax liabilities (Net)	2,53,12,872	-
(3) Equity		
(a) Equity Share Capital	-	58,99,32,880
(b) Other Equity	4,44,80,349	-2,20,36,83,967
(c) Non - Controlling Equity	-	-
(d) Share application money pending for allotment	45,00,00,000	30
Total	61,47,08,471	2,24,39,25,260

For Southern Online Bio Technologies Limited


Dr Devaiah Pagidipati
Director & CEO

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

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**SOUTHERN ONLINE
BIO TECHNOLOGIES LTD**

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED		
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)	(28,79,854)	(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

For Southern Online Bio Technologies Limited



Dr Devaiah Pagidipati
Director & CEO

Place: Hyderabad

Date: December 29, 2020

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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 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



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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:





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- 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: 2020 3605 AAAARX 6919

SOUTHERN ONLINE BIO TECHNOLOGIES LTD

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted with Annual Audited Financial Results - (Standalone) – SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED				
Statement on Impact of Audit Qualifications for the Financial Year ended March				31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	3,36,66,10,325	3,36,66,10,325
	2.	Total Expenditure	90,98,90,412	90,98,90,412
	3.	Net Profit/(Loss)	1,65,82,31,406	1,65,82,31,406
	4.	Earnings Per Share		
	5.	Total Assets	61,47,08,471	61,47,08,471
	6.	Total Liabilities	61,47,08,471	61,47,08,471
	7.	Net Worth	49,44,80,349	49,44,80,349
	8.	Any other financial item(s) (as felt appropriate by the management)		nil
II.	<u>Audit Qualification (each audit qualification separately):</u>			
	a.	Details of Audit Qualification:	<p>1. 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.</p> <p>2. 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/-</p> <p>3. The Company has written off earlier unsecured loans taken by the company in acquaintance of NCLT order.</p> <p>4. 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</p>	

An ISO 9001:2008 Certified Company
CIN : L72900TG1998PLC030463

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Tel : 0091-40-23241999, **Fax :** 0091-40-23241444. **Website :** www.sol.net.in, **E-mail:** info@sol.net.in,



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Unit - II : Plot No. 45/A, APIIC-SEZ, Atchutapuram (V&M), Visakhapatnam Dist.-531011, A.P., Ph. : 08924-237024, Fax : 08924-237022

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		<p>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.</p> <p>5. 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.</p> <p>6. 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)</p> <p>7. 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.</p>
	b. Type of Audit Qualification :	Qualified Opinion
	c. Frequency of qualification:	1. Occurred during the financial year 2019-20.
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	<p>1. As per the Hon'ble NCLT Order dated November 26, 2019, the Company 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. 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,</p>

		<p>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.</p>
		<p>2. 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 sheetdate. 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.</p>
		<p>3. The Hon'ble NCLT issued a written Order date November 26, 2019, 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.</p>

		<p>4. 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. The earlier share capital has been transferred to Capital Redemption Reserve of the Company as on March 31st, 2020 . The earlier share capital 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.</p> <p>5. 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, Dr Devaiah Pagidipati and his associates 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, since the allotment is made on December 12, 2020.</p> <p>6. The company has written off Assets during the year to an amount of Rs. 4492.65 Lakhs/- due to the acquisition of a Company during Liquidation process by the new management as a going concern and damages occurred to the plant and machinery, property due to cyclones etc.</p>
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		7. 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.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	Nil
	(i) Management's estimation on the impact of audit qualification:	Rs. 162,92,16,789 was adjusted/written off from the Balance Sheet in compliance with Hon'ble NCLT Order dated November 26, 2019
	(ii) If management is unable to estimate the impact, reasons for the same:	Nil
	(iii) Auditors' Comments on (i) above:	Nil
	(iii) Auditors' Comments on (ii) above:	
III.	Signatories:	
	Dr Devaiah Pagidipati CEO & Director	
	Mr U U V Ravikanth Chief Financial Officer	

	<p>Dr Divya Sunitha Raj Burra Audit Committee Chairperson</p>	
	<p>For P C N & Associates., Chartered Accountants (Firm Registration No. 016016S)</p>   <p>Mr K Gopala Krishna Partner (Membership No. 203605)</p>	
	<p>Place: Hyderabad Date: 29-12-2020</p>	