

**SULABH ENGINEERS & SERVICES LIMITED**  
**ANNUAL REPORT**

**2016-2017**

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**REGISTERED OFFICE**

206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg office, Parsi Panchayat Road, Andheri (East), Mumbai-400069

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**CORPORATE OFFICE**

17/11, The Mall, Kanpur 208001

Tele No- 0512-2311226, 2319705 Fax No- 0512- 2363774

**CORPORATE IDENTIFICATION NUMBER (CIN)**

L28920MH1983PLC029879

**BANKER**

Union Bank of India

Kotak Mahindra Bank

**REGISTRAR AND SHARE TRANSFER AGENT**

M/S Skyline Financial Services Private Limited  
D-153-A, 1<sup>st</sup> floor, Okhala Industrial Area,  
Phase I, New Delhi- 110020

Phone: 011-26812682/64732681-88

Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)

**WEBSITE**

[www.sulabh.org.in](http://www.sulabh.org.in)

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### **Mr. Manoj Kumar Agarwal**

*CEO & Whole Time Director*

Mr. Manoj Kumar Agarwal is an industry veteran and has more than two decades of experience of working with various finance and investment companies. He is also associated with many industrial groups. He is also well recognized and appreciated for his civic and philanthropic contributions.

#### **Mrs. Seema Mittal**

*Director and Chief Financial Officer*

Mrs. Mittal is business consultant and has expertise in various aspects of corporate finance and Investment banking. She also has good knowledge of legal aspects of business matters and successfully leveraged her expertise and experience to steer the Company's growth.

#### **C.A. Rajiv Agarwal**

*Independent Director*

Rajiv Agarwal is a qualified Chartered Accountant with over two decades of experience in capital market and financial advisory service having wide experience in the financial sector and credit administration.

#### **Mr. Rakesh Chand Agarwal**

*Independent Director*

Rakesh Chand Agarwal is a renowned businessman. Mr. Agarwal has over 25 years of experience with significant expertise across various business functions including, operations, collections, sales, distribution and risk.

#### **Mrs. Sudeepti Srivastava**

*Independent Director*

Sudeepti Srivastava is a qualified Company Secretary. She has extensive experience in Company matters and applicable laws with specialization in Industrial and Monetary Economics.

### **COMPANY SECRETARY**

Mr. Diwaker Dubey

### **AUDITORS**

Satish Soni & Co.

Chartered Accountants

63, 2nd Floor, Empire Building Dr. D. N. Road, Fort

Mumbai – 400001, India

Tel : +91 (022) 32903287 Fax : +91 (022) 22876467

## **DIRECTOR'S REPORT**

Stakeholders

Board of Directors is privileged to present with great honor, this 34<sup>th</sup> Annual Report together with Audited statement on the business and operations of the company for the year ended on 31<sup>st</sup> March, 2017.

### **FINANCIAL RESULTS:**

<b>Particulars</b>	<b>2016-17 (INR.)</b>	<b>2015-16 (INR)</b>
Revenue From Operations	9231455	10,051,617
Other Income	9989	4,705
Total Income	9241444	10,056,322
<b>Profit/(Loss) Before Interest &amp; Dep.</b>	<b>6343778</b>	<b>7,512,164</b>
Less: Interest	758	13,184
Less: Depreciation	214197	365,979
<b>Profit / (Loss) Before Tax</b>	<b>6128823</b>	<b>7,133,001</b>
Less: Current Tax	1900000	2,200,000
Less: Deferred Tax	+16433	+34,707
Tax expense of previous year	287235	00
<b>Net Profit After Tax</b>	<b>3958021</b>	<b>49,67,708</b>

### **RESULTS OF OPERATIONS AND STATE OF AFFAIRS**

The highlights of the performance during the year under review are as under:

- Total Revenue from Operations decreased by 8.16% to Rs. 9241444 (Previous year Rs. 10,051,617/-).
- Profit Before Interest & Dep. decreased by 15.55% to Rs. 6343778/- (Previous year Rs. 7,512,164/-).
- PAT decreased by 20.33% to Rs. 3958021 (Previous year Rs. 4,967,708/-).

### **ASSET GROWTH**

Total Assets of the Company stood at Rs.229, 247,999/- as compared to Rs. 226,709,020/- during the last year, showing an increase of 1.12%.

### **SHARE CAPITAL**

The paid up equity capital as on March 31, 2017 was Rs.100475000/-. During the year under review, the Company has not issued shares with differential voting rights nor has issued any sweat equity. As on March 31, 2017, none of the Directors of the Company hold any convertible instruments of the Company.

### **DIVIDEND**

It was decided by the Board not to declare any dividend this year.

**TRANSFER TO RESERVES**

The Company transferred an amount of Rs. 1054687/- to the Special Reserves under section 45IC of RBI Act, during the year.

**CONSOLIDATED FINANCIAL STATEMENTS**

The audited consolidated financial statement of the Company prepared in accordance with applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 is provided in the Annual Report.

**SUBSIDIARY COMPANIES**

As on March 31, 2017, the Company has the following subsidiaries:

1. Rodic Coffee Estates Private Limited.

The audited financial statements, the Auditors Report thereon and the Board's Report for the Company's subsidiaries for the year ended March 31, 2017 are available on the website of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**MATERIAL SUBSIDIARIES**

There are no material subsidiaries of the Company. The Policy for determining material subsidiaries as approved by the Board may be accessed on the Company's website at [www.sulabh.org.in](http://www.sulabh.org.in)

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, your Board of Directors states that:

- a) In preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern basis';

- e) the Directors have laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

### **CORPORATE GOVERNANCE**

The Company has been observing best governance practices and is committed to adhere to the Corporate Governance requirements on an ongoing basis. A separate section on Corporate Governance as stipulated under Part C of Schedule V and a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance, as stipulated under Part E of Schedule V of the SEBI (Listing Obligation and Discloser Requirements) 2015 forms part of this Annual Report.

### **RELATED PARTY TRANSACTIONS**

There are no Related Party Transactions made by the Company and hence, enclosing of Form AOC-2 is not required.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not meet the requirement of Section 135 of the Companies Act, 2013 for applicability of Corporate Social Responsibility and so the Company is not required to contribute towards CSR for the financial year under review.

### **FIXED DEPOSITS:**

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has adequate internal controls. Internal Auditors report to the Chairman of the Audit Committee of the Board and ensure compliances with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of the company is duly constituted.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mrs. Seema Mittal retires by rotation at the ensuing Annual General Meeting and offers herself for reappointment.

Mr. Manoj Kumar Agarwal (DIN: 01767926) was appointed as Whole Time Director of the Company for a period of five years with effect from 01 October 2016 to 30 September 2021 pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force,).

### **DECLARATION BY INDEPENDENT DIRECTOR(S)**

The Company has received declaration from all the Independent Directors under Section 149(7) of the Companies Act, 2013 in respect of meeting the criteria of Independence provided under Section 149(6) of the said Act. & Regulation 16 (1)(b) of the SEBI (Listing Obligation and Discloser Requirements) 2015.

### **FORMAL ANNUAL PERFORMANCE EVALUATION**

Pursuant to Section 178(2) of the Companies Act, 2013 & Regulation 17 (10) of the SEBI (Listing Obligation and Discloser Requirements) 2015. The Nomination and Remuneration Committee has carried out evaluation of performance of every Director. The board has carried out an Annual performance evaluation of its own performance, of the Directors individually as well as evaluation of the working of its various Committees. The performance evaluation of Independent Director was carried out by the entire Board excluding the Director being evaluated. The performance evaluation of the Chairman and Non-Independent Director was carried out by the Independent Director at their separate Meeting.

### **NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection of Directors, determining Directors independence and payment of remuneration to Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Policy is stated in the Report on Corporate Governance.

### **FAMILIARIZATION PROGRAM**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of program for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company and related matters are put up on the website of the Company at [www.sulabh.org.in](http://www.sulabh.org.in)

### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company's policy on Directors Appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 is available on Company's website.

### **AUDITORS AND AUDITORS' REPORT**

#### **Statutory Auditors**

M/s. Satish Soni & Co., Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting. M/s. Satish Soni & Co., Chartered Accountants have completed their tenure as mentioned under section 139 of Companies Act 2013 and henceforth not eligible for re-appointment.

The Board authorized the Audit Committee to initiate the process of appointment of statutory auditor.



The Notes on financial statements referred to in the Auditors Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

#### **Secretarial Auditor**

CS Gopesh Sahu, Practicing Company Secretary was appointed to conduct Secretarial Audit of the Company for the financial year 2016-17 as required under section 204 of the Companies Act, 2013 and the rules there under. The Secretarial Audit report for the financial year 2016-17 forms part of the Annual Report as "Annexure A" to the Board's Report.

The Secretarial Audit Report does not contain any qualification, reservations or adverse remark.

### **DISCLOSURES**

#### **Audit Committee**

The Audit Committee comprises Independent Directors namely Mr. Rajiv Agarwal (Chairman), Mr. Rakesh Chand Agarwal and Mr. Manoj Kumar Agarwal as other members.

The Audit Committee coordinated with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts.

All the recommendations made by the Audit Committee were accepted by the Board.

Five meetings of the Audit Committee were held during the year. The details of which are provided in Report on Corporate Governance.

#### **Stakeholders' Relationship Committee**

The Committee had four meetings during the year. The details of which are provided in Report on Corporate Governance. There is no unresolved pending investor grievance.

#### **Nomination & Remuneration Committee**

The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Key Managerial Personnel, Directors and the remuneration payable to them and other employees.

The Nomination and Remuneration Committee held two meetings during the year. The details of which are provided in Report on Corporate Governance.

#### **Vigil Mechanism / Whistle Blower Policy**

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The WBP may be accessed on the Company's website at the link [www.sulabh.org.in](http://www.sulabh.org.in)

**Risk Management framework**

The Board has formulated Risk management policy including procedures and risk assessment to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company's business and take suitable action for risk identification, risk minimization and risk optimization.

The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary.

**Meetings of Board**

The Board of Directors held seven meetings during the year, the details of which are provided in Report on Corporate Governance. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

**Particulars of Loans, Investments, Guarantees**

During the year under review, the Company has not given any loans and guarantees. Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 8 & 9 of Notes to the Financial Statements.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

As per the provisions of Section 134(3) (m) of the Companies Act, 2013, relating to conservation of energy and technology absorption .there is a system of proper check and control in order to avoid unnecessary wastage of power and energy.

Foreign Exchange earnings and outgo is **NIL**.

**Extract of Annual Return**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2017 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as "Annexure B".

**Particulars of Employees**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure C".

**Details Of Significant And Material Orders Passed By The Regulators Or Courts Or Tribunals Impacting The Going Concern Status And Company's Operations In Future**

BSE vide its notification no. 20170301-11 dated 01March 2017 has revoked the suspension in trading of equity shares with effect from Monday, March 06, 2017.

**Disclosure under Sexual Harassment of Women**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

& also available on Company's website. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy.

The following is a summary of Sexual Harassment complaints received and disposed off during the year:

- a) No. of Complaints received: Nil
- b) No. of Complaints disposed off: Nil

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

As per the requirements of Regulation 34(2)(e) of SEBI Listing Obligations and Disclosure Requirements, 2015 is annexed herewith as "Annexure D".

#### **RESERVE BANK OF INDIA DIRECTIONS**

Your Company is non-banking finance company (NBFC). Accordingly, during the year, Company has not accepted any deposits from the public and there were no deposits which become due for repayment or renewal.

Company has complied with the directives issued by the Reserve Bank of India under the Non Banking Financial Companies (Reserve Bank of India) Directions, 2007, and Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 as amended from time to time.

#### **ACKNOWLEDGMENTS**

The Board of Directors acknowledge with thanks for the support extended by the bankers, business associates, clients, consultants, advisors, shareholders, investors and the employees of the Company and subsidiaries for their continued co-operation and support.

The Board of Directors would also like to appreciate for the co-operation received from the Reserve Bank of India, SEBI, NSE & BSE and all other statutory and/or regulatory bodies.

#### **For and on behalf of the Board**

Sd/-

**Manoj Kumar Agarwal**

Whole Time Director

DIN: 01767926

Sd/-

**Rakesh Chand Agarwal**

Director

DIN: 3539915

Place: Kanpur

Date: May 30, 2017

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members

### **SULABH ENGINEERS AND SERVICES LIMITED**

Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **SULABH ENGINEERS AND SERVICES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **SULABH ENGINEERS AND SERVICES LIMITED** for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015 and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the company during the Audit period) ;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the Audit period);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the company during the Audit period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the Audit period);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable to the company during the Audit period);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the Audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the Audit period);
  
- (vi) Other Laws as per the representation given by the company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors including re-appointment of Mr. Manoj Kumar Agarwal as Whole Time Director of the Company were carried out in compliance with the provisions of the Act, however, his appointment is subjected to the ratification of the shareholder in the General meeting.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda in most of the occasions were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no events having a major bearing on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines etc. Other than that mentioned herein below:

*1. That trading of company's equity shares remained suspended for almost the entire financial year i.e. 2016-17 at the Bombay Stock Exchange however, the order of suspension was later revoked vide notice dated 01.03.2017 and the trading of company's shares was reinstated from 06<sup>th</sup> of March, 2017.*

*2. The company has enhanced the scope of its business activities by altering the main object clause of its Memorandum of Association and adding new sub clauses thereupon, the matter was approved by way of postal ballot resolution dated 16<sup>th</sup> day of September, 2016.*

Place: Kanpur  
Date: 30.05.2017

**CS GOPESH SAHU**  
FCS: 7100  
C.P. No. 7800

*This report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.*

**APPENDIX A**

To,

The Members

SULABH ENGINEERS AND SERVICES LIMITED

Mumbai.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, i have obtained the management Representation about the compliance of laws, rules and regulation and happening of every events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kanpur  
Date: 30.05.2017

**CS GOPESH SAHU**  
FCS: 7100  
C.P. No. 7800

## Annexure "B"

### **EXTRACT OF ANNUAL RETURN as on the financial year ended March 31, 2017**

*[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

#### **I. REGISTRATION AND OTHER DETAILS**

<b>i</b>	CIN	L28920MH1983PLC029879
<b>ii</b>	Registration Date	27 <sup>th</sup> April, 1983
<b>iii</b>	Name of the Company	Sulabh Engineers & Services Limited
<b>iv</b>	Category / Sub-Category of the Company	Public Company/Non-Government Company
<b>v</b>	Address of the Registered office and contact details	Office No.206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg office, Parsi Panchayat Road,Andheri (East),Mumbai-400069  Tele No- 022-67707822 Fax No. - 022- 67707822  E- Mail : sulabheng22@ gmail.com, sulabhinvestorcell@gmail.com
<b>vi</b>	Whether listed company	Yes
<b>vii</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/S Skyline Financial Services Private Limited D-153-A, 1 <sup>st</sup> floor, Okhala Industrial Area, Phase I, New Delhi- 110020 Phone: 011-26812682/83 & 64732681-88 Email: admin@skylinerta.com

#### **II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
<b>i</b>	Financial Services except Insurance and pension funding activities.	64920	100%

#### **III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sl. No.</b>	<b>Name and Address of the Company</b>	<b>CIN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares Held</b>	<b>Applicable Section</b>
<b>i</b>	Rodic Coffee Estates Private Limited 39, 2ND FLOOR,POCKET-I JASOLA VIHAR, NEW DELHI-110025	U01131DL2012PTC238155	Subsidiary	51%	2 (87)



#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the years				No. of Shares held at the end of the years				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. PROMOTER</b>									
<b>1. Indian</b>									
a. Individual/HUF	22683437	Nil	22683437	22.58	22683437	Nil	22683437	22.58	Nil
b. Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Bodies Corp.	3000000	Nil	3000000	2.99	3000000	Nil	3000000	2.99	Nil
e. Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f. Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	<b>25683437</b>	<b>Nil</b>	<b>25683437</b>	<b>25.56</b>	<b>25683437</b>	<b>Nil</b>	<b>25683437</b>	<b>25.56</b>	<b>Nil</b>
<b>2. Foreign</b>									
a. NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c. Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>25683437</b>	<b>Nil</b>	<b>25683437</b>	<b>25.56</b>	<b>25683437</b>	<b>Nil</b>	<b>25683437</b>	<b>25.56</b>	<b>Nil</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a. Mutual Funds/	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Banks/FI									
c. Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d. State Govt. (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e. Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f. Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g. FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h. Foreign venture capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i. Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**2. Non Institutions**

a. Body Corporate									
i) Indian	24002704	304200	24306904	24.19	24008056	304200	24312256	24.20	0.01
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Individual									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1469073	3000	1472073	1.47	1446213	3000	1449213	1.47	(0.15)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	44133885	NIL	44133885	43.93	44219936	NIL	44219936	44.01	0.08
c. Others									
i. NRI	10	NIL	10	0	15	NIL	15	0	0
ii. Public Trust	18400	NIL	18400	0.02	18400	NIL	18400	0.02	0
iii. HUF	4860291	NIL	4860291	4.84	4791743	NIL	4791743	4.77	(0.07)
<b>Sub-total (B)(2):-</b>	74484363	307200	74791563	74.44	74484363	307200	74791563	74.44	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	74484363	307200	74791563	74.44	74484363	307200	74791563	74.44	0
<b>C.SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>GRAND TOTAL (A+B+C)</b>	100167800	307200	100475000	100	100167800	307200	100475000	100	0

**ii Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	RUCHI AGARWAL	5816000	5.79	0.00	5816000	5.79	0.00	0.00
2	SANDHYA AGARWAL	5375000	5.35	0.00	5375000	5.35	0.00	0.00
3	SANTOSH KUMAR AGARWAL	4644637	4.62	0.00	4644637	4.62	0.00	0.00
4	KRISHANA AGARWAL	3180000	3.16	0.00	3180000	3.16	0.00	0.00
5	Manoj Kumar Agarwal	292500	0.29	0.00	292500	0.29	0.00	0.00
6	MANISH AGARWAL	1675800	1.67	0.00	1675800	1.67	0.00	0.00
7	SANTOSH KUMAR AGARWAL & SONS	1000000	1.00	0.00	1000000	1.00	0.00	0.00

8	DEEPA MITTAL	699500	0.7	0.00	699500	0.7	0.00	0.00
9	GOVIND MERCANTILE PVT.LTD	3000000	2.99	0.00	3000000	2.99	0.00	0.00
	<b>TOTAL</b>	<b>25683437</b>	<b>25.56</b>	<b>0.00</b>	<b>25683437</b>	<b>0.00</b>	<b>25.56</b>	<b>0.00</b>

***iii.Change in Promoters' Shareholding (please specify, if there is no change***

Sl No.	Name	Details of Change in Shareholding
1	RUCHI AGARWAL	NO CHANGE
2	SANDHYA AGARWAL	
3	SANTOSH KUMAR AGARWAL	
4	KRISHANA AGARWAL	
5	MANOJ KUMAR AGARWAL	
6	MANISH AGARWAL	
7	SANTOSH KUMAR AGARWAL & SONS	
8	DEEPA MITTAL	
9	GOVIND MERCANTILE PVT.LTD	

***(iv) Share holding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):***

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase / decrease			Shareholding at the End of the year	
		No. of shares	% of total shares of the company	Date	No. of Shares	Reason	No. of shares	% of total shares of the company
1	SOM PRAKASH GOENKA	3885717	3.82				3842887	3.82
2	SURENDRA KUMAR GUPTA	3232121	3.22				3232121	3.22
3	RAJNI GUPTA	2750000	2.74				2750000	2.74
4	MADHU RANI GOENKA	2750000	2.74				2750000	2.74
5	VISTA ENCLAVE PRIVATE LTD	2700000	2.69				2700000	2.69
6	RAJ KUMAR	1755969	1.75				1755969	1.75
7	SPICE MERCHANT PRIVATE LTD	1448794	1.44				1448794	1.44
8	SUNITA MAHESHWARI	1250000	1.24				1250000	1.24
9	ANAND MAHESHWARI	1250000	1.24				1250000	1.24
10	ARUN CHAWLA	1202800	1.20				1202800	1.20

## v) Shareholding of Directors and Key Managerial Personnel

### A. Directors

Manoj Kumar Agarwal (WHOLE TIME DIRECTOR)

Shareholding at the beginning of the year		Cumulative shareholding during the year		Shareholding at the end of the year	
292500	0.29	Nil	0.00	292500	0.29

**NO OTHER DIRECTOR AND NONE OF THE KEY MANAGERIAL PERSONNEL HOLD ANY SHARE IN THE COMPANY.**

### V. INDEBTEDNESS:

	Secured loans (excluding Deposit)	Unsecured Loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not Paid	-	-	-	-
iii. Interest accrued but not Paid	-	-	-	-
<b>Total(i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	1,279,961	-	-	1,279,961
<b>Net Change</b>	<b>(1,279,961)</b>	-	-	<b>(1,279,961)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	-	-	-	-
ii. Interest due but not Paid	-	-	-	-
iii. Interest accrued but not Paid	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>0</b>	-	-	<b>0</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Mr. Manoj Kumar Agarwal Whole Time Director renounced his salary w.e.f. 01 July 2014 hence No Managing Directors Whole Time Director and /or Manager are in receipt of any remuneration.

#### B. Remuneration to other Directors:

1. Independent Directors: No Remuneration has been paid to any Independent Director.
2. Other Non Executive Directors: No Remuneration has been paid to any Non Executive Director

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/ WHOLE TIME DIRECTOR**

Sl No	Particulars of Remuneration	*Mrs. Seema Mittal Chief Financial Officer	Mr. Diwaker Dubey Company Secretary	Total
<b>1</b>	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	180000/-	300000/-	480000/-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	NIL	NIL
<b>2</b>	Stock Options	NIL	NIL	NIL
<b>3</b>	Sweat Equity	NIL	NIL	NIL
<b>4</b>	Commission	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL
<b>5</b>	- others	NIL	NIL	NIL
<b>6</b>	Others, please specify	NIL	NIL	NIL
	<b>Total (A)</b>	<b>180000/-</b>	<b>300000/-</b>	<b>480000/-</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	<b>NONE</b>				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	<b>NONE</b>				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	<b>NONE</b>				
Punishment					
Compounding					

**Annexure "C"**

**DETAILS PERTAINING TO EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013  
READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL  
PERSONNEL) RULES, 2014**

<b>Sl. No.</b>	<b>Particulars required</b>	<b>Relevant details</b>
<b>i</b>	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Mrs. Seema Mital 1.87:01 No other Directors are in receipt of remuneration.
<b>ii</b>	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	There was no increase in remuneration of any director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year
<b>iii</b>	Percentage increase in the median remuneration of employees in the financial year	<b>NIL</b>
<b>iv</b>	Number of permanent employees on the rolls of company	<b>04</b>
<b>v</b>	Explanation on the relationship between average increase in remuneration and company performance	<b>N/A</b>
<b>vi</b>	Comparison of the remuneration of the Key Managerial Personnel(KMP) against the performance of the company	There was no increase in remuneration of the KMP's
<b>vii</b>	a. Variations in the market capitalization of the company;	a. Market capitalization as on January 06, 2015 was `917.33 corers. Thereafter trading of Company was suspended till 05 March 2017. Market capitalization as on March 31, 2017 was 769.13 Cr.
	b. Price earnings ratio as at the closing date of the current financial year and previous financial year.	b. Price earnings ratio of the Company was 1826 as at January 06, 2015. Thereafter trading of Company was suspended till 05 March 2017. Price earnings ratio of the Company was 1914 as at March 31, 2017.
	c. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	c. The Company has not made any Public Issue or Rights issue of securities after 2009, so comparison have not been made of current share price with public offer price. The Company's shares are listed on Bombay Stock Exchange
<b>viii</b>	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison	There was no increase in the salaries of employees and in the managerial remuneration

	with the percentile increase in the managerial remuneration and justification thereof	
<b>ix</b>	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	There was no increase in remuneration of the KMP's
<b>x</b>	The key parameters for any variable component of remuneration availed by the Directors	<b>NIL</b>
<b>xi</b>	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year	<b>NONE</b>
<b>xii</b>	It is hereby affirmed that the remuneration is paid as per the Remuneration Policy for the Directors, Key Managerial Personnel and employees.	

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

A) Employed throughout the year and was in receipt of remuneration which in the aggregate was not less than ` 60,00,000/- p.a.

**NONE**

B) Employed for part of the year and was in receipt of remuneration which is in the aggregate was not less than ` 5,00,000/- p.m.

**NONE**

## **ANNEXURE D**

### **MANAGEMENT DISCUSSION & ANALYSIS**

#### **ECONOMIC CONDITION**

Two major events dominated the India's economic landscape in fiscal 2016-17, first; passing of the long impending Goods and Services Tax (GST) bill, and the demonetization of high currency notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth. Demonetization has had short-term costs but it holds the potential for long-term benefits.

India is the most dynamic emerging economy among the largest countries and is expected to remain the fastest growing due to significant domestic reforms gradually being implemented by the government. India is expected to record a GDP growth in the range of 6.75 to 7.5% in FY2018.

#### **BUSINESS OVERVIEW**

NBFC sector has gained systemic importance in the last few years and are now the biggest receiver of funds in the country's financial system because of their complementary as well as competitive role. The growth in NBFCs is not only due to the strong financial performance reported by most players, but also due to the rise in the number of players over the years.

The financial sector is expanding at a rapid pace driven by the government's pro-sector measures. Government schemes like, MUDRA, the new bankruptcy law, and debt restructuring scheme are contributing to the financial sector's growth. The RBI has also revised regulatory framework to bring operational freedom to smaller NBFCs.

#### **OPPORTUNITIES AND THREATS**

NBFCs are in a better position to meet the non-corporate needs to the economy with their intrinsic ability to evaluate and understand customers' unique needs and tap in to specific customer segments through branch networks and customized products. With Lower operating costs, control over overheads and effective and proactive risk management. Your Company has enormous opportunity for the growth.

High cost of acquiring customers, lack of alternative tools for assessment and lack of understanding of working capital cycles of specific industries and service enterprises. are the major threat being faced by Finance Companies.



### **FINANCIAL PERFORMANCE**

Total Revenue from Operations decreased by 8.16% to Rs. 9231455 (Previous year Rs. 10,051,617/-).

The Company has been focusing on increasing its book size during previous years; but slowdown experienced in the real-estate sector and consequent slowdown in construction industry, it has restricted the lending to this sector which resulted in a lower disbursement of loans for this segment of the industry. However the Company expects to consolidate and maintain a steady growth rate in the future.

### **OUTLOOK**

With more transparency and credibility Company aims to achieve a better position in selected customer products and segments. It believes in the potentials of financial services and offers a competitive financial products and services.

### **RISKS AND CONCERNS**

Risk and profitability go hand in hand, where controls towards anticipated risks become the main driver of growth. Any lending institution is exposed to various kinds of external and internal risks at every stage of its business wherein a proactive risk management strategy becomes the backbone of the institution. The Company has a team of experts to continuously evaluate trends in the economy as well as various sectors of it. It also facilitates the Board to take well informed decisions.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Company has in place technology based operational control methods and systems. The Company's internal control infrastructure is well managed by a highly competent team to ensure efficiency in business operations and safeguarding the company's assets. Internal Audits are conducted at regular intervals to provide assurance to management that the transactions are carried out as per set policies & processes.

### **HUMAN RESOURCE CAPITAL**

The Company is focused on creating a competitive and cordial working environment and strengthens the talent pool by providing employees with career enhancement opportunities. The underlying principal of its human resource strategy is induction of right talent at right time,

### **CAUTIONARY STATEMENT**

The statements and projections made in this report describe the Company's objectives and projections that may be forward-looking statement within the meaning of applicable laws and regulations. The actual result might differ depending on certain assumptions and expectations of future events. As the Company's operations are affected by many external and internal factors, which are beyond the control of the management hence actual results may be different from those expressed or implied. Company is not under any obligation to amend, modify or revise any statement in future on the basis of subsequent developments, information or events.

## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the financial year ended March 31, 2017, as per the disclosure requirements prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below:

### 1. **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is all about ethical conduct, integrity and accountability of an enterprise. It is one of the key elements in improving the economic efficiency of the enterprise.

We at Sulabh Engineers consider it our utmost responsibility to disclose timely and accurate information regarding our performance as well as the leadership and governance of the Company. The Company believes that good Corporate Governance is a continuous process and endeavors to improve the Corporate Governance practices to meet shareholder's expectations. Company has complied with the requirements of Corporate Governance as laid down under the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI directions.

Company has also adopted various codes and policies in to ensure good governance. Some of them are:

- i. Code of Conduct for the Board and Senior Managerial Personnel;
- ii. Whistle Blower Policy;
- iii. Nomination & Remuneration Policy;
- iv. Board Evaluation Policy;
- v. Fair Practice Code;
- vi. Code for regulating, monitoring and reporting of Trading by Insiders;
- vii. Policy on Related Party Transactions;
- viii. Policy on Material Subsidiaries;
- ix. Documents preservation and archival Policy; and
- x. Policy for determining material events and information

### 2. **BOARD OF DIRECTORS**

The Board of Directors of the company has an optimum combination of executive and non-executive directors with two women directors.

The Board of the Company comprises of five Directors having Three Directors as independent Directors, one Director as Promoter executive Director and one Director as executive women Director as follows:

SL NO.	NAME	DESIGNATION	REMARKS
1.	Mr. Manoj Kumar Agarwal	Executive Director/Promoter	
2.	Mrs. Seema Mittal	Woman Director and Chief Financial Officer	
3.	C.A. Rajiv Agarwal	Independent Director	
4.	Mr. Rakesh Chand Agarwal	Independent Director	
5.	CS Sudeepti Srivastava	Independent Director	

## DIRECTORS' PROFILE

A brief resume of Directors, experience and other details are provided in the Annual Report.

## NUMBER OF BOARD MEETINGS

During the year the Board met 07 times on 29/04/2016, 30/05/2016, 25/07/2016, 02/08/2016, 29/09/2016, 14/11/2016, 21/01/2017, and the maximum gap between two board meetings was not more than 4 months.

## DIRECTORS ATTENDANCE RECORD & DIRECTORSHIP HELD

The Composition and category of the Directors on the Board, and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of Directorship and Committee Membership/Chairmanship as on 31<sup>st</sup> March, 2017 are as follows:

Name of Director	DIN	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Directorship	Committees Position		Share holding (No of Shares)
							Chairman	Member	
Mr. Manoj Kumar Agarwal	01767926	Executive Director/Promoter	07	06	YES	02	NIL	02	292500
Mrs. Seema Mittal	06948908	Executive Director	07	07	NO	NIL	NIL	01	NIL
C.A. Rajiv Agarwal	03445523	Independent Director	07	02	NO	NIL	01	01	NIL
Mr. Rakesh Chand Agarwal	03539915	Independent Director	07	06	NO	NIL	02	01	NIL
CS Sudeepti Srivastava	06979356	Independent Director	07	02	NO	NIL	NIL	01	NIL

## MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met once on March 31, 2017, *inter alia*, to:

- I. Evaluate the performance of non-independent directors and the Board as a whole;
- II. Evaluate the quality, quantity and timelines of flow of information between the executive management and the Board.

The suggestions made at the meetings of the Independent Directors were communicated to the Executive Director for taking appropriate steps. All Independent Directors were present at the meeting.

## FAMILIARIZATION PROGRAM

At the time of appointment a formal letter is issued to the Director, which explains the roles, rights and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the

compliances required from him under the Companies Act, The SEBI (LODR) Regulation 2015, Code of Conduct, Prohibition of Insider Trading Code, RBI directions and other relevant regulations.

The Independent Directors of the Company are given opportunity to familiarize themselves with the Company, its management and operations so as to understand the Company.

The details of the familiarization program for Independent Directors has been uploaded on the Company's website i.e. on [www.sulabh.org.in](http://www.sulabh.org.in)

### **3. COMMITTEES OF THE BOARD**

#### **A. AUDIT COMMITTEE**

The Company has constituted a well qualified and Independent Audit Committee as required under Section 177 of the Companies Act, 2013 as also in fulfillment of the requirements of Regulations 18 of The SEBI (LODR). The Primary objective of the Audit Committee is to Monitor and provide effective supervision of the Management's financial reporting process with a view to ensure accurate , timely and proper disclosure and transparency, integrity and quality of financial reporting.

Brief descriptions of Terms of reference are as under:

- I. Review of financial statements before they are submitted to the Board for adoption;
- II. Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the Auditors;
- III. Review of quarterly , half Yearly and yearly financial statements and Audit Report before they are presented to the Board , focusing inte- alia upon:
  - Accounting Policies and any changes thereto;
  - Ensuring Compliance with the Accounting Standards
  - Compliance with the Laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the Preparation and disclosure of financial Statements:
  - Significant issues arising out of Audit:
  - The Going concern assumption;
  - Major accounting entries based upon exercise of judgment by the management;
  - Any related party transactions i.e. transactions of the Company of Material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with interest of the Company at large
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board ' s Report in term of clause ( c ) of Sub- section 3 of section 314 of the Companies Act, 2013
- IV. Review with the management and auditors the adequacy of internal control systems;
- V. Discussions with the Statutory Auditors before commencement of the Audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- VI. Review of the Company's financial and risk management policies;  
Examine reasons for default in payment of interest and repayment of principal amounts to depositors and debenture holders, payment of dividend, payments to creditors and payment of all statutory dues in the prescribed time period;
- VII. Investigating the reasons for substantial defaults, if any, in the payments to the depositors, shareholders (in case of non- payment of declared dividends) and creditors;
- VIII. Review and monitor auditor's independence and performance and effectiveness of the audit process;

- IX. Scrutiny of inter corporate loans & investments;
- X. Valuation of undertaking and assets;
- XI. Monitoring of end use of funds of the public offers;
- XII. Audit Committee to call for comments of the Auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the board;
- XIII. Adequate safeguards against victimization of person who use vigil Mechanism and make provision for direct access to the CEO/Chairman of the Audit Committee in appropriate or exceptional cases;
- XIV. Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- XV. Approval of appointment of CFO (i.e. the whole-time Finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- XVI. Any other terms of references as may be included from time to time as per the SEBI (LODR) Regulations 2015;

#### **Composition, Name of Member and Chairman**

The Audit Committee comprises of:

<b>Sr.No.</b>	<b>Name</b>	<b>Category</b>	<b>Designation</b>
1.	Mr. Rajiv Agarwal	Independent	Chairman
2.	Mr. Rakesh Chand Agarwal	Independent	Member
3.	Mr. Manoj Kumar Agarwal	Non- Independent	Member

- The Company Secretary acts as Secretary to the Committee.
- The Internal Auditor reports directly to the Audit Committee.

#### **Meetings of the Audit Committee**

5 (five) Audit Committee were held on **April, 28,2016, May 28, 2016, August 01, 2016, November 14, 2016, and January 21, 2017**. During The Financial Year and the Gap between does not exceed one Hundred and Twenty days.

The Composition of the Audit Committee and the Details of Meetings attended by its members are given Below:

<b>Name</b>	<b>Category</b>	<b>Designation</b>	<b>No. of Meetings</b>	
			<b>Held</b>	<b>Attended</b>
Mr.Rajiv Agarwal	Independent	Chairman	05	05
Mr.Rakesh Chand Agarwal	Independent	Member	05	05
Mr.Manoj Kumar Agarwal	Non-Independent	Member	05	05

## B. NOMINATION & REMUNERATION COMMITTEE

The Nomination and remuneration Committee's (N & RC) Constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015

### Brief descriptions of terms of reference of the N&RC are as under:

- a) To identify and recommend to the Board appointment and removal of directors, Key managerial Personnel and Core Management Team;
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- c) To recommend to the Board on remuneration payable to the Directors, Key managerial Personnel and Core Management Team:

### Composition, Name of Members and Chairman

SL No.	Name	Category	Designation
1.	Mr.Rakesh Chand Agarwal	Independent	Chairman
2.	Mr.Rajiv Agarwal	Independent	Member
3.	Ms.Sudeepti Srivastava	Independent	Member

### Meetings of Nomination and Remuneration Committee

The Nomination and Remuneration Committee met twice during the year on April 28, 2016, and September 28, 2016.

SL No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr.Rakesh Chand Agarwal	Independent	Chairman	02	02
2.	Mr.Rajiv Agarwal	Independent	Member	02	02
3.	Mrs. Sudeepti Srivastava	Independent	Member	02	01

### Nomination and Remuneration Policy

In terms of the Section 178 of the Companies Act, 2013 and the Regulation 19 of the SEBI (LODR) the Remuneration Policy on nomination and Remuneration of Directors, key managerial Personnel and Senior Management of the Company had been formulated by the N&RC of the Company and approved by the Board of Directors. The N&RC has designed the Remuneration policy in order to attract, motivate and retain the executive talent needed to achieve superior performance in a competitive Market. The Policy is annexed to this Report.

### Remuneration to the Directors

The details of sitting fees/remuneration paid to Directors during the FY 2016-17, are as under:

SL NO	Name and designation	Salary	Other Benefits	Total
1.	Mr. Manoj Kumar Agarwal Whole Time Director	Nil	Nil	Nil
2.	C.A. Rajiv Agarwal	Nil	Nil	Nil

	Independent Director			
3.	Mr. Rakesh Chand Agarwal Independent Director	Nil	Nil	Nil
4.	Mrs. Seema Mittal CFO cum Director	Rs.180000/-	Nil	Rs.180000/-
5.	CS Sudeepti Srivastava	Nil	Nil	Nil

There were no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company.

#### **Performance Evaluation of the Board, Directors and Committees of the Board**

The Company has devised Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Committees and other individual Directors.

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

#### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Composition and Terms of Reference of the Stakeholder's Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

##### **Brief descriptions of terms of reference are as under:**

- a) Considering and resolving grievances of shareholder's, debenture holders and other security holders;
- b) Redressal of grievances of the security holders of our Company, including complaints in respect of transfer of shares, non-receipt of declared dividends, balance sheets of our Company etc.;
- c) Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities;
- d) Issue of duplicate certificates and new certificates on split/consolidation/renewal etc.;
- e) Overseeing requests for dematerialization and rematerialization of Equity Shares; and
- f) Carrying out any other function contained in the Equity Listing Agreement to be entered into between the Company and the stock exchange as and when amended from time to time.

##### **Composition, Name of Members and Chairman**

SI No.	Name	Category	Designation
1.	Mr. Rakesh Chand Agarwal	Independent	Chairman
2.	Mr. Manoj Kumar Agarwal	Non-Independent	Member
3.	Mrs. Seema Mittal	Non-Independent	Member

##### **Meetings of the Stakeholder's Relationship Committee**

The Committee met four times during the year on April 13, 2016, July 11, 2016, October 10, 2016 and January 09, 2017.

SI No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr.Rakesh Chand Agarwal	Independent	Chairman	04	04
2.	Mr.Manoj Kumar Agarwal	Non-Independent	Member	04	04
3.	Mrs. Seema Mittal	Non-Independent	Member	04	04

#### Investor Grievance Redressal

As required under Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Details of complaints received from complainants' complaints resolved as pending for consideration'

- Number of shareholders' complaints received so far- NIL
- Number not solved to the satisfaction of shareholders - Nil
- Number of pending complaints - Nil

#### 4. GENERAL BODY MEETINGS

Details regarding the last three Annual General Meetings are as follows:

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2013-2014	26/09/2014	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road,Andheri (East),Mumbai-400069	11:30 A.M.
2014-2015	28/09/2015	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road,Andheri (East),Mumbai-400069	01:00 P.M.
2015-2016	16/09/2016	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road,Andheri (East),Mumbai-400069	01:00 P.M.

#### Details of special resolution in the last three AGM/EGM

There was no Special Resolution passed in the last three AGM/EGM

#### Details of Special Resolution Passed Through Postal Ballot Process

During the year 2016-17, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following two Special Resolutions by postal ballot:

Sl. No.	Special Resolutions	Votes cast in favour of resolution		Votes cast against the resolution		Date of declaration of result
		No.	%	No.	%	
1	Alteration of object Clause in the Memorandum of Association	38305303	100	NIL	0	16 September 2016



2	Adoption Of New Set Of Articles Of association of The Company	38305303	100	NIL	0	16 September 2016
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### Procedure for Postal Ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and Listing Regulations, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company generally engages the services of CDSL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members / list of beneficiaries as on a cut-off date. The postal ballot notice is send to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period.

Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman or any other Director of the Company, after the completion of scrutiny of the postal ballots (including remote e-voting).The results of the postal ballot (including remote e-voting) are announced by the Chairman or any other Director of the Company. The results are also displayed at the registered office of the Company and intimated to Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's report on the Company's website viz. [www.sulabh.org.in](http://www.sulabh.org.in). The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

## 5. DISCLOSURES

### i. Related Party Transactions

During the Financial Year 2016-17, Company has not entered into any material transactions with any of the related parties. The related parties transactions entered into with the related parties as defined under Companies Act, 2013 and regulation 23 of SEBI (LODR) .The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. on [www.sulabh.org.in](http://www.sulabh.org.in)

### ii. Strictures and Penalties

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India or by any statutory authority on any matters related to capital markets during the last three years.

### **iii. Revocation of Suspension of Trading**

Trading in the securities of the Company was suspended w.e.f. 07 January 2015. BSE vide its notification no. 20170301-11 dated 01March 2017 has revoked the suspension in trading of equity shares with effect from Monday, March 06, 2017.

### **iv. Whistle Blower Policy**

The Board of Directors has formulated a Whistleblower Policy/ Vigil Mechanism in compliance with the Provisions of Section 177(10) of the Act and Regulation 22 of SEBI (LODR) and is also available on the Company's Website: [www.sulabh.org.in](http://www.sulabh.org.in) . The employee can approach directly report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

### **v. Policy on Material Subsidiaries**

The Board has a Policy on Material Subsidiaries which has been uploaded on the Company's website i.e. on [www.sulabh.org.in](http://www.sulabh.org.in)

### **vi. Code of Conduct**

Company has adopted a Code of Conduct for all the designated Employees including the Board Members in accordance with the Requirement under Regulation 17 of SEBI (LODR).The Code of Conduct has been posted on Company website: [www.sulabh.org.in](http://www.sulabh.org.in)

## **6. MEANS OF COMMUNICATION**

**Financial Results:** The Company has timely published its Quarterly/Half Yearly results and other notices as required to be published in the newspapers in widely circulating national and local newspapers, such as The Business Standard in English and Apla Maharashtra in Marathi.

**Website:** The Company's website: [www.sulabh.org.in](http://www.sulabh.org.in) contains a separate section Investor relations' where shareholders information is available. The Company's Financial Results and Annual Reports are also available on the company's website.

**BSE Corporate Compliance & Listing Centre (the 'Listing centre'):** BSE's Listing centre web based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report and others are also filed electronically on the Listing centre. The company is regular in posting its shareholding Pattern, Corporate Governance Report and corporate Announcements electronically at <https://listing.bseindia.com>.

## **8. GENERAL SHAREHOLDER INFORMATION**

### **I. Annual General Meeting:**

- Day: Wednesday
- Date: 27/09/2017
- Time: 03:00 P.M.
- Venue 206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd.,  
R .K. Singh Marg,  
Parsi Panchayat Road,  
Andheri (East),Mumbai-400069

## II. Financial Year

- The Financial year of the Company starts from April 1 of every year to March 31 of the Next Year.

## III. Date of Book closure:

- The Books will remain closed from Thursday, September 21, 2017 to Wednesday, September 27, 2017.

## IV. Dividend payment date:

- N/A
- The Directors of the company are of the opinion not to declare dividend for the financial year.

## V. Listing on Stock Exchange:

- The Equity shares of the Company are listed at BSE Limited, Mumbai

## VI. Stock Code and other related information:

BSE LIMITED	ISIN	CIN
508969	INE673M01029	L28920MH1983PLC029879

## VII. Marker Price:

Month	High (Rs)	Low (Rs)
March 2017	90.00	76.55

As trading in the stock of Company was revoked by BSE from Monday, March 06, 2017 vide its notification no. 20170301-11 dated 01March 2017, hence no Month wise Market price is available.

## VIII. Registrar and Transfer Agent:

### M/S Skyline Financial Services Private Limited

D-153-A, 1<sup>st</sup> floor, Okhla Industrial Area,  
Phase I, New Delhi- 110020

## IX. Compliance Officer

Mr. Diwaker Dubey, Company Secretary, is the Compliance Officer appointed by the Board. He can be contacted for any investor related matter relating to the Company. The contact no. is: +91-512-231126, and e-mail id is "sulabhinvestorscell@gmail.com".

## X. Share Transfer System:

The Company has provided a common agency regarding the Share Registration and Transfer by our Registrar And Transfer Agent i.e. Skyline Financial Services Private Limited, New Delhi within a period of 15 days from the date of receiving, subject to the validity and completeness of documents in all respect.

## XI. Distribution of shareholding:

Shareholding pattern of the Company as on 31<sup>st</sup> March 2017

Category	No. of Shares	% of Holding
<b>A) Promoters Holding</b>		
Individuals	22683437	22.58
Bodies Corporate	3000000	2.99
<b>Sub-Total (A)</b>	<b>25683437</b>	<b>25.56</b>
<b>B) Non-Promoters Holding</b>		
Bodies Corporate	24312256	24.20
Individuals	45669149	45.45
HUF	4791743	4.77
Non Resident Indians	15	0
Trust	18400	0.02
<b>Sub-Total(B)</b>	<b>74791563</b>	<b>74.44</b>
<b>Grand Total(A+B)</b>	<b>100475000</b>	<b>100</b>

### Nominal Value of Each Share: Re.1/-

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	279	39.3	411357	0.41
5001 To 10,000	112	15.77	918102	0.91
10001 To 20,000	81	11.41	1253363	1.25
20001 To 30,000	52	7.32	1310203	1.3
30001 To 40,000	20	2.82	718835	0.72
40001 To 50,000	20	2.82	904948	0.9
50001 To 1,00,000	39	5.49	2840800	2.83
1,00,000 and Above	107	15.07	92117392	91.68
<b>Total</b>	<b>710</b>	<b>100</b>	<b>100475000</b>	<b>100</b>

## XII. Dematerialization of Shares and Liquidity:

- 99.69% of the shares of Company are in dematerialized form.

**XIII. Address for correspondence:**

- Regd Office- 206, 2<sup>nd</sup> Floor, Apollo Complex Premises  
Cooperative Society Ltd., R .K. Singh Marg office, Parsi Panchayat Road,  
Andheri (East),Mumbai-400069
- Corporate Office17/11 The Mall, Kanpur 208001

**XIV. CEO Certification:**

- In terms of the requirements of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO have submitted necessary certificate to the Board at its meeting held on 30/05/2017 stating the particulars specified under the said clause.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company is planning for taking an initiative for implementation of “Green Initiative” in the corporate governance for allowing paperless compliances as per the circular no.17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate affairs and to facilitate its member by providing all the information relating to notices of Shareholder Meetings, Annual Report of the Company by e-mail. In this regard stakeholders are requested to register their e-mail ID with the company. The Company has taken various initiatives on promoting social welfare.



## **SATISH SONI & CO.**

Chartered Accountants

# 15/1, 2<sup>nd</sup> Floor, Metro House, Shahid Bhagat Singh Marg, Mumbai – 400001, India  
Phone: 91-22-32903287/Fax: 91-22-22876467/Cell: 9322693989, mail: scsoni@gmail.com

### **AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

#### **Sulabh Engineers and Services Limited**

We have examined the companies of conditions of Corporate Governance by Sulabh Engineers and Services Ltd, for the year ended on 31<sup>st</sup> March 2017, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and representations made by the management, we certify that the Company has complied with the condition of Corporate Governance as Stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange.

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

For SATISH SONI & CO.  
Chartered Accountants

Sd/-  
(CA.Satish Soni)  
Proprietor  
M.No.-044391  
FRN-114625W

Date: 30 May 2017  
Place: Mumbai

## **Nomination and Remuneration Policy**

This Policy is in compliance with the requirements of the Section 178 Companies Act, 2013 and Clause 49 of the Listing Agreement.

### **1.1 Objectives**

The Policy lays down the:

- (i) Criteria for determining qualification, positive attributes and independence of Directors for their appointment on the Board of the Company ;
- (ii) Criteria for payment of remuneration to Directors, Key Managerial Personnel and other Employees.

### **1.2 Definitions**

- i. "Board" means Board of Directors of the Company.
- ii. "Company" means "Sulabh Engineers and Services Limited."
- iii. "Employees' Stock Option" means the option given to the Directors, Officers or Employees of the company or of its holding company or subsidiary company or companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.
- iv. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- v. "Key Managerial Personnel" (KMP) means a person referred to in Section 203 of the Companies Act, 2013.
- vi. "Committee" shall mean the Nomination & Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- vii. "Policy or This Policy" means, "Nomination and Remuneration Policy."
- viii. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

### **1.3 Interpretation**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI Act, 1992, Listing Agreement and Regulations as notified by the Securities and Exchange Board of India from time to time.

### **1.4 Appointment and Removal of Managerial Person, Director, Key Management Personnel and Senior Management Personnel.**

#### ***i. Appointment criteria and qualifications:***

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Person, Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
- b) The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the designated position.

#### ***ii. Term / Tenure:***

- a) The Company shall appoint or re-appoint a person as its Managerial Person by passing of a resolution and disclosure of such appointment in the Directors Report forming part of the Annual Report.

**iii. Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 ('Act'), rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Person, Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, rules and regulations.

**iv. Retirement:**

The Managerial Person, Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managerial Person, Director, and KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**1.5 Disqualifications for Appointment of Directors**

Disqualification rules shall be governed as per the provisions of Companies Act 2013 and other applicable laws, if any.

**1.6 Remuneration Policy**

i. The Total compensation package for the employees comprises of Fixed and Variable Component. Fixed pay consists of the base salary and any recurring, regular allowances payable in the specific location.

Factors such as profitability and achievement of key performance indicators are taken into consideration, for increment and incentive.

ii. Remuneration of the Key Management Personnel consists of a fixed component and a variable performance incentive.

ii. Perquisites: In the form of house rent allowance/accommodation, reimbursement of medical expenses, conveyance, children education, telephone, communication equipments like Ipad's etc.

The Non-Executive Directors of the Company shall be paid sitting fees as per the recommendation of Committee and approved by the Board of the Company subject to the provisions of Articles of the Company.

An Independent Director shall not be entitled to any Stock Options of the Company.

**1.7 Deviations from the Policy**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**1.8 Amendments**

The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.



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**INDEPENDENT AUDITOR'S REPORT**

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To,  
The Members,  
SULABH ENGINEERS & SERVICES LIMITED

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **SULABH ENGINEERS & SERVICES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information herein after referred to as "standalone financial statements).

**Management's Responsibility for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 , of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
- 2) As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
  - b) 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder.
  - e) On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 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 the 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:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.
    - iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank Notes, as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

**For Satish Soni & Co.**  
**Chartered Accountants**  
**FRN: 109333w**

**Satish Soni**  
**Proprietor**  
**M. No. 044391**

Place : MUMBAI  
Date : 30/05/2017

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- i. In respect of its fixed assets :
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, at present no immovable property is owned by the Company. Accordingly, clause (c) of paragraph 3 (i) of the Order is not applicable.
- ii. The Company is a Non-Banking Financial Company(NBFC) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities and does not hold any physical inventories during the year. Therefore, provision of clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii. As per the records produced before us and explanations given to us, the Company has not granted any loans, secured and unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013, therefore, the relevant provisions of the Companies (Auditor's Report) order, 2016, are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to loans and investments made.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act , 2013 , therefore , the relevant provisions of the Companies (Auditor's Report) order, 2016, are not applicable to the Company.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013 in respect of business activities of the Company.
- vii. (a) Based on the records produced before us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues such as provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of outstanding statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable;

(b) The details of disputed statutory dues, which have not been deposited by the Company, are NIL.

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- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company does not have any loans or borrowings from Banks, Financial Institutions Government or debenture holders during the year.
- ix. The Company did not raise any money by way of Initial Public offer or further Public Offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- 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 have been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is a Non-banking Financial Company (NBFC) registered under section 45-IA of the Reserve Bank of India Act 1934.

**For SatishSoni& Co.**  
**Chartered Accountants**  
**FRN: 109333w**

**SatishSoni**  
**Proprietor**  
**M. No. 044391**

Place : MUMBAI  
Date : 30/05/2017

**Annexure-B to the Auditor's Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SULABH ENGINEERS & SERVICES LIMITED** ("the Company") as of 31 March, 2017 in the conjunction with our audit of standalone 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, the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**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 Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control system over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of the 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 financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future period are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

**For SatishSoni& Co.**  
**Chartered Accountants**  
**FRN: 109333w**

**SatishSoni**  
**Proprietor**  
**M. No. 044391**

Place: MUMBAI  
Date: 30/05/2017

**SULABH ENGINEERS & SERVICES LIMITED****Annual Report 2016-17**

Balance Sheet as at 31 March, 2017

(In Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	100,475,000	100,475,000
(b) Reserves and surplus	3	126,054,961	122,096,940
		226,529,961	222,571,940
<b>(2) Current liabilities</b>			
(b) Other current liabilities	4	420,574	469,706
(c) Short Term Provisions	5	2,297,464	3,667,374
		2,718,038	4,137,080
<b>TOTAL</b>		<b>229,247,999</b>	<b>226,709,020</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	6	247,494	667,236
(b) Non-current Investments	7	57,379,999	39,865,920
(c) Long-term loans and advances	8	168,041,815	171,560,580
(d) Deferred Tax Assets (Net)	19	213,361	196,928
		225,882,669	212,290,664
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	9	1,292,303	10,769,808
(b) Short-term loans and advances	10	2,064,227	3,448,995
(c) Other current assets	11	8,800	199,553
		3,365,330	14,418,356
<b>TOTAL</b>		<b>229,247,999</b>	<b>226,709,020</b>
Summary of Significant accounting policies 1			
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
<b>For Satish Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 109333w			
Satish Soni	Director	Rajiv Agarwal	Director
Proprietor		DIN: 03445523	Rakesh Chand Agarwal
M.No 44391			DIN: 03539915
Place : Mumbai	CFO		Company Secretary
Date : 30/05/2017	Seema Mittal		Diwaker Dubey

**SULABH ENGINEERS & SERVICES LIMITED****Annual Report 2016-17**

Statement of Profit &amp; Loss for the year ended 31st March 2017

(In Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I. Revenue from operations (net)	12	9,231,455	10,051,617
II. Other Income	13	9,989	4,705
<b>III. Total revenue (I+II)</b>		<b>9,241,444</b>	<b>10,056,322</b>
IV. Expenses			
1. Employee benefits expense	14	917,500	827,500
2. Depreciation and amortisation expense	6	214,197	365,979
3. Finance Cost	15	3,627	15,952
4. Other expenses	16	1,977,297	1,713,890
<b>Total expenses (1 - 4)</b>		<b>3,112,621</b>	<b>2,923,321</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		6,128,823	7,133,001
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		6,128,823	7,133,001
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		6,128,823	7,133,001
X. Tax expense:			
(1) Current tax		1,900,000	2,200,000
(2) Tax Expenses of Previous Year		287,235	
(3) Deferred tax		-16,433	-34,707
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		3,958,021	4,967,708
XII. Profit/(loss) from discontinuing operations		Nil	Nil
XIII. Tax expense of discontinuing operations		Nil	Nil
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		Nil	Nil
XV. Profit (Loss) for the period (XI + XIV)			
XVI. Earnings per equity share			
(1) Basic		0.04	0.05
(2) Diluted		0.04	0.05
Summary of Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
<b>For Satish Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 109333w			
Satish Soni	Director	Rajiv Agarwal	Director
Proprietor		DIN: 03445523	Rakesh Chand Agarwal
M.No 44391			DIN: 03539915
Place : Mumbai	CFO		Company Secretary
Date : 30/05/2017	Seema Mittal		Diwaker Dubey



<b>SULABH ENGINEERS &amp; SERVICES LIMITED</b>		
<b>Cash Flow Statement for the year ended March 31, 2017</b>		
<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>A) Cash flow from operating activities</b>		
Net Profit before tax	6,128,823	7,133,001
<b>Adjustments for:</b>		
Depreciation and amortisation	214,197	365,979
Operating profit / (loss) before working capital changes	<b>6,343,020</b>	<b>7,498,980</b>
<b>Changes in working capital:</b>		
Decrease/(increase) in long-term loans & advances	3,518,765	4,307,265
Decrease/(increase) in short-term loans & advances	1,384,768	-1,801,612
Decrease/(increase) in Other non-current assets	190,753	447,321
Increase/(decrease) in Other current liabilities	-49,132	-1,174,188
Increase/(decrease) in long-term provisions		-
Increase/(decrease) in Short-term provisions	-1,369,910	1,182,198
Cash generated from operations	<b>10,018,264</b>	<b>10,459,964</b>
Net income tax (paid) / refunds	-2,144,336	-2,200,000
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>7,873,928</b>	<b>8,259,964</b>
<b>B) Cash flow from financing activities</b>	Nil	Nil
<b>Net cash flow from / (used in) financing activities (B)</b>	<b>Nil</b>	<b>Nil</b>
<b>C) Cash flow from investing activities</b>		
Purchase of fixed assets, including capital wip	162,646	-3,600
Purchase of non-current investments	-17,514,079	-1,694,401
<b>Net cash flow from / (used in) investing activities (C)</b>	<b>-17,351,433</b>	<b>-1,698,001</b>
<b>D) Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-9,477,505</b>	<b>6,561,963</b>
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>10,769,808</b>	<b>4,207,845</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>1,292,303</b>	<b>10,769,808</b>
<b>Components of Cash &amp; Cash Equivalents (As per Note : 10 )</b>		
Cash on Hand	331,825	21,712
Balance with Banks		
- In Current Accounts	960,478	749,096
- In Deposit Accounts	Nil	9,999,000
<b>Total Cash &amp; Cash Equivalents</b>	<b>1,292,303</b>	<b>10,769,808</b>
The above statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statements		
As per our report of even date		
<b>For Satish Soni &amp; Co.</b>	<b>For and on behalf of the Board</b>	
Chartered Accountants		
FRN : 109333w		
Satish Soni	Director	Director
Proprietor	Rajiv Agarwal	Rakesh Chand Agarwal
M.No 44391	DIN: 03445523	DIN: 03539915
Place : Mumbai	CFO	Company Secretary
Date : 30/05/2017	Seema Mittal	Diwaker Dubey

## Significant Accounting Policies and Notes on Accounts

Note	Particulars
1	<p><b>A Corporate Information</b> The Company is Non-banking Financial Company (NBFC) registered with the Reserve Bank of India (“RBI”) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI, enabling the Company to carry on business as a Non-banking Financial Company.</p> <p><b>B Significant accounting policies</b></p> <p><b>a) Basis of accounting and preparation of financial statements</b> The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p> <p>The company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve bank of India (RBI) for Non Systematically Important Non-Banking Finance (Non-Deposit Accepting or Holding) Companies Prudential norms directions 2015</p> <p><b>b) Use of estimates</b> The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p> <p><b>c) Revenue recognition</b> <u>Interest Income:</u> Interest income is recognized and accounted on accrual basis as per the agreed terms except in case of Non Performing Assets outstanding for more than 90 days, which is recognized on receipt basis, as per NBFC Prudential Norms.</p> <p><u>Other income</u> Dividend income is accounted for when the right to receive it is established. Profit/Loss on sale of Investments is accounted on trade dates. Other income are accounted on accrual basis.</p> <p><b>d) Tangible fixed assets and Depreciation</b> Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any other attributable costs of bringing the assets to their working condition for the intended use.</p> <p>With effect from April 1, 2014, the Company has followed useful lives of tangible assets as prescribed by Schedule II to the Companies Act, 2013 and depreciation for the current periods has been provided accordingly.</p> <p><b>e) Intangible assets</b> Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.</p>

**SULABH ENGINEERS & SERVICES LIMITED****Significant Accounting Policies and Notes on Accounts**

Note	Particulars
f)	<p><b>Valuation of Inventories</b> Lower of cost and net realisable value.</p>
g)	<p><b>Segment reporting</b> The Company considers business segments as its primary segment. The Company's operations are predominantly relate to lending &amp; related activities and accordingly, this is the only primary reportable segment. The Company considers geographical segments as its secondary segment. The Company's operations are predominantly within India and accordingly, this is the only secondary reportable segment.</p>
h)	<p><b>Earnings per share</b> Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.</p>
i)	<p><b>Taxes on income</b> Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.  Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.  Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available</p>
j)	<p><b>Foreign currency transactions and translations</b>  <u>Initial recognition</u> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.  <u>Measurement of foreign currency monetary items at the Balance Sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.  In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p>

**SULABH ENGINEERS & SERVICES LIMITED****Significant Accounting Policies and Notes on Accounts**

Note	Particulars
	<p><u>Treatment of exchange differences</u> Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.</p> <p>The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item"</p>
<b>k)</b>	<p><b>Employee benefits</b> The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation.</p>
<b>l)</b>	<p><b>Government grants and subsidies</b> Grants and subsidies are recognised when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying cost of the related assets.</p>
<b>m)</b>	<p><b>Provisions and contingencies</b> A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
<b>n)</b>	<p><b>Provisioning/ write-off of assets</b> Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non Systematically Important Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Provision on standard assets is made as per management estimates and is <a href="#">as specified</a> in the notification <a href="#">DNBR (PD) CC.No.044/03.10.119/2015-16</a> issued by Reserve Bank of India.</p>
<b>o)</b>	<p><b>Investments</b> Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.</p>

**SULABH ENGINEERS & SERVICES LIMITED**
**Note 2 Share capital**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>(a) Authorised</b>		
11,00,00,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -11,00,00,000 Equity shares of Rs. 1/- each with voting rights)	110,000,000	110,000,000
	110,000,000	110,000,000
<b>(b) Issued, Subscribed and fully paid up</b>		
10,04,75,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -10,04,75,000 Equity shares of Rs. 1/- each with voting rights)	100,475,000	100,475,000
<b>Total</b>	<b>100,475,000</b>	<b>100,475,000</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 1/-. Each holder of equity shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount-Rs	No. of Shares	Amount-Rs
Number of shares at the beginning	100,475,000	100,475,000	100,475,000	1,004,750,000
Add: Shares issued during the year	Nil	Nil	Nil	Nil
<b>Number of shares at the end</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>1,004,750,000</b>

**Details of shares held by each shareholder holding more than 5% shares:**

Name of Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% held	No. of Shares	% held
Ruchi Agarwal	5,816,000	5.79%	6,000,000	5.97%
Sandhya Agarwal	5,375,000	5.35%	5,400,000	5.37%
<b>Number of shares at the end</b>	<b>11,191,000</b>	<b>11.14%</b>	<b>11,400,000</b>	<b>11.35%</b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note 3 Reserves and surplus</b>		
<b>a. Securities Premium Account</b>		
Opening balance	98,000,000	98,000,000
Add: Profit / (Loss) for the year	Nil	Nil
Closing Balance	98,000,000	98,000,000
<b>b. Special Reserve under Section 45-IC of RBI Act, 1934</b>		
Opening balance	3,615,285	2,621,743
Add: Transfer during the year	791,604	993,542
Closing Balance	4,406,889	3,615,285
<b>c. General Reserve</b>		
Opening balance	2,401,244	2,401,244
Add: Any other Adjustments	Nil	Nil
Closing Balance	2,401,244	2,401,244
<b>d. Surplus</b>		
Opening balance	18,080,411	14,106,245
Add: Net Profit for the Year	3,958,021	4,967,708
Less: Transfer to Reserve u/s 45-IC of RBI Act, 1934 (Being 20% of profits after tax for the period)	791,604	993,542
Closing Balance	21,246,828	18,080,411
<b>Total</b>	<b>126,054,961</b>	<b>122,096,940</b>

**SULABH ENGINEERS & SERVICES LIMITED**

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note 4 Other current liabilities</b>		
Other payables		
(i) Statutory remittances		
TDS payables	21,348	32,933
(ii) Other Payables	399,226	436,773
	<b>420,574</b>	<b>469,706</b>
<b>Note 5 Short Term Provisions</b>		
Provision for Tax	1,900,000	3,173,537
Provision for Standard Assets	397,464	493,837
	<b>2,297,464</b>	<b>3,667,374</b>
<b>Note 7 Non-current Investments</b>		
<b>Long term Investments - Non Trade</b>		
<b>In Fully paid up equity shares -Unquoted</b>		
<b>- In Subsidiaries</b>		
Rodice Coffee Estates Private Limited	25,500,000	25,500,000
(25,50,000 Eq. Shares, Previous Year - 25,50,000 Eq. Shares )		
<b>In Mutual Funds -</b>	31,309,349	13,795,270
<b>In Gold Coins</b>	570,650	570,650
	<b>57,379,999</b>	<b>39,865,920</b>
Aggregate market value of unquoted investments	57,379,999	39,865,920
<b>Note 8 Long-term loans and advances</b>		
Loans & Advances towards financing activities -Unsecured	158,985,655	164,612,410
Advance for capital goods	9,056,160	6,948,170
	<b>168,041,815</b>	<b>171,560,580</b>
<b>Note 9 Cash and cash equivalents</b>		
Cash on hand	331,825	21,712
Balance with Scheduled Bank		
In Current Accounts	960,478	749,096
In Fixed Deposits	Nil	9,999,000
	<b>1,292,303</b>	<b>10,769,808</b>
<b>Note 10 Short-term loans and advances</b>		
Balances with Government Authorities		
Advance tax & TDS	1,905,494	3,290,262
Security Deposit	150,000	150,000
Other loans and advances		
Advance to staff	Nil	Nil
Advance to Suppliers / Others	8,733	8,733
	<b>2,064,227</b>	<b>3,448,995</b>
<b>Note 11 Other current assets</b>		
Unamortised Share Issue Expenses & Preliminary Expenses	Nil	146,104
Prepaid Expenses	8,800	835
Interest Accrued on Fixed Deposit Account	Nil	52,614
Interest Accrued on Loans	Nil	Nil
	<b>8,800</b>	<b>199,553</b>

**SULABH ENGINEERS & SERVICES LIMITED**

**Note 6 Fixed assets Schedule**

Assets	Gross block			Accumulated depreciation and impairment				Net Block	
	Opening Balance as at April 1, 2016	Additions/Adjustment/Deletions	Closing Balance as at March 31, 2017	Opening Balance as at April 1, 2016	Depreciation/amortisation for the year	Deletions	Closing Balance as at March 31, 2017	Closing Balance as at March 31, 2017	As at March 31, 2016
<b>Tangible Assets-Owned</b>									
Motor Cars	2,200,789	-1,195,250	1,005,539	1,611,540	178,004	-952,351	837,193	168,346	589,249
Motor Cycles	102,373	-	102,373	53,946	12,973		66,919	35,454	48,427
Furniture	13,500	-	13,500	4,417	2,352		6,769	6,731	9,083
Computers	192,592	-	192,592	172,115	8,276		180,391	12,201	20,477
A.C.	-	37,354	37,354	-	12,592		12,592	24,762	-
<b>TOTAL</b>	<b>2,509,254</b>	<b>(1,157,896)</b>	<b>1,351,358</b>	<b>1,842,018</b>	<b>214,197</b>	<b>(952,351)</b>	<b>1,103,864</b>	<b>247,494</b>	<b>667,236</b>
Previous Year	<b>2,505,654</b>	<b>3,600</b>	<b>2,509,254</b>	<b>1,476,039</b>	<b>365,979</b>	<b>-</b>	<b>1,842,018</b>	<b>667,236</b>	<b>1,029,615</b>

NOTE : With effect from April 1, 2014, the Company has followed useful lives of tangible assets as prescribed by Schedule II to the Companies Act, 2013 and depreciation for the current periods has been provided accordingly.

**SULABH ENGINEERS & SERVICES LIMITED**

Particulars	For the year	
	ended March 31, 2017	ended March 31, 2016
<b>Note 12 Revenue from operations</b>		
Interest on loans & advances under financing activities	7,165,369	7,567,355
Profit on sale of Investments	482,776	1,013,348
Interest on Debentures	1,144,282	1,385,835
Dividend on Mutual Funds	342,655	85,079
Excess provision for standard assets written back	96,373	Nil
<b>Total Revenue from operations</b>	<b>9,231,455</b>	<b>10,051,617</b>
<b>Note 13 Other income</b>		
Others	9,989	4,705
<b>Total Revenue from operations</b>	<b>9,989</b>	<b>4,705</b>
<b>Note 14 Employee benefits expense</b>		
Salaries and wages	737,500	647,500
Directors' Remuneration	180,000	180,000
<b>Total</b>	<b>917,500</b>	<b>827,500</b>
<b>Note 15 Finance Cost</b>		
Interest	758	13,184
Bank Charges	2,869	2,768
<b>Total</b>	<b>3,627</b>	<b>15,952</b>
<b>Note 16 Other expenses</b>		
Advertisement	182,182	240,259
Annual Fees - Stock Exchange	229,000	224,720
Communication Expenses	18,498	17,583
CDSL N NSDL	113,550	108,750
Donation	30,000	Nil
Filing Fee	25,125	7,240
Insurance	25,710	48,800
Legal and professional Charges	497,571	235,645
Loss on sale of fixed assets	42,900	Nil
Miscellaneous expenses	26,434	38,587
Payments to auditors		
<i>Audit Fees</i>	100,000	50,000
<i>Certification Charges</i>	35,000	25,658
<i>Others</i>	20,250	10,592
Postage & Telegram	31,201	19,562
Printing and stationery	69,522	25,608
Provision for Sub-standard Assets	Nil	65,358
Rent	365,250	347,175
Share issue & Preliminary Expenses W/off	146,104	146,104
Travelling and conveyance	19,000	102,249
<b>Total</b>	<b>1,977,297</b>	<b>1,713,890</b>
<b>Note 17 Contingent liabilities</b>	Nil	Nil
<b>Note 18 Dues to Micro, Small and Medium Enterprises</b>		
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	Nil	Nil



**SULABH ENGINEERS & SERVICES LIMITED**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016	
<b>Note 19 Deferred Tax Assets (Net)</b>			
<b>Deferred Tax Liability on account of difference in</b> Depreciation as per tax books and financial books	213,361	196,928	
<b>Note 20 Expenditure in foreign currency</b>	Nil	Nil	
<b>Note 21 Earnings in foreign exchange</b>	Nil	Nil	
<b>Note 22 Employee benefits</b>	Nil	Nil	
<b>Note 23 Related party transactions Note: Related parties have been identified by the Management.</b>			
<b>Description of relationship</b>	<b>Names of related parties</b>		
<b>Key Management Personnel (KMP)</b>	Manoj Kumar Agarwal - WTD & Chairman Seema Mittal - Director, CFO Rajiv Agarwal - Director Rakesh Chand Agarwal - Director Sudeepti Srivastava- Director Diwaker Dubey- Company Secretary		
<b>Subsidiary Company</b>	Rodice Coffee Estates P Ltd		
<b>Details of related party transactions during the year and balances outstanding:</b>			
Particulars	For the year ended	For the year ended	
<b>Directors' Remuneration</b>			
Manoj Kumar Agarwal	Nil	90,000	
Seema Mittal	180,000	112,500	
<b>Loans &amp; Advance</b>			
Rodice Coffee Estates Private Limited	80,000,000	86,500,000	
<b>Repayment received Loans &amp; Advance</b>			
Rodice Coffee Estates Private Limited	6,500,000	Nil	
<b>Note 24 details of Specified Bank Notes (SBN) held and transacted during the period from 08/11/2016 to 30/12/2016</b>			
	<b>SBNs</b>	<b>Other Denomination</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	Nil	138,154	138,154
(+) Permitted receipts	Nil	200,000	200,000
(-) Permitted payments	Nil	329	329
(-) Amount deposited in Banks	Nil	185,000	185,000
<b>Closing cash in hand as on 30.12.2016</b>	<b>Nil</b>	<b>152,825</b>	<b>152,825</b>
<b>Note 25 Previous year's figures</b>			
Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.			
As per our report of even date		<b>For and on behalf of the Board of Directors</b>	
<b>For Satish Soni &amp; Co.</b>			
Chartered Accountants			
FRN : 109333w			
Satish Soni	Director		Director
Proprietor	Manoj Kumar Agarwal		Rakesh Chand Agarwal
M.No. 44391	DIN: 03445523		DIN: 03539915
Place : Mumbai	CFO		Company Secretary
Date : 30/05/2017	Seema Mittal		Diwaker Dubey

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**INDEPENDENT AUDITOR'S REPORT**

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To,  
The Members,  
SULABH ENGINEERS & SERVICES LIMITED

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated financial statements of **SULABH ENGINEERS & SERVICES LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information hereinafter referred to as "Consolidated financial statements).

**Management's Responsibility for the Consolidated Financial Statements**

The Holding 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 of these Consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read relevant rules issued there under. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 , of the financial position of the Group as at 31st March, 2017, and its consolidated financial performance including other comprehensive income and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account for the purpose of the audit of the aforesaid consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder.
  - e) On the basis of the written representations received from the directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”; and
  - g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Group does not have any pending litigations which would impact its financial position.
    - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Group.
    - iv) The Group has provided requisite disclosures in its financial statements as to holdings as well as dealings in specified Bank Notes, as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

**For SatishSoni & Co.**  
**Chartered Accountants**  
**FRN: 109333w**

**SatishSoni**  
**Proprietor**  
**M. No. 044391**

Place : MUMBAI  
Date : 30/05/2017

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**Annexure-A to the Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Sulabh Engineers & Services Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls;**

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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 Companies Act, 2013.

**Auditors' 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") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations 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 financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion;**

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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 ICAI.

**For SatishSoni& Co.  
Chartered Accountants  
FRN: 109333w**

**SatishSoni  
Proprietor  
M. No. 044391**

Place: MUMBAI  
Date: 30/05/2017

**SULABH ENGINEERS & SERVICES LIMITED**
**Annual Report 2016-17**

Consolidated Balance Sheet as at 31 March, 2017

(In Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	100,475,000	100,475,000
(b) Reserves and surplus	3	140,450,404	124,479,900
(c) Minority Interest		38,330,914	26,789,508
		<b>279,256,318</b>	<b>251,744,408</b>
<b>(2) Non-Current liabilities</b>			
(a) Long Term Borrowings	4	87,078,296	97,480,277
<b>(2) Current liabilities</b>			
(b) Other current liabilities	5	2,271,638	2,011,220
(c) Short Term Provisions	6	2,297,464	3,667,374
		<b>4,569,102</b>	<b>5,678,594</b>
<b>TOTAL</b>		<b>370,903,716</b>	<b>354,903,279</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	7	197,683,191	197,297,132
(b) Non-current Investments	8	31,879,999	14,365,920
(c) Long-term loans and advances	9	88,046,815	85,065,580
(d) Deferred Tax Assets (Net)	19	183,099	161,834
		<b>317,793,104</b>	<b>296,890,466</b>
<b>(2) Current assets</b>			
(a) Inventories	10	38,698,144	41,367,021
(b) Trade Receivables	11	7,405,259	86,358
(a) Cash and cash equivalents	12	4,930,901	12,907,088
(b) Short-term loans and advances	13	2,067,508	3,452,793
(c) Other current assets	14	8,800	199,553
		<b>53,110,612</b>	<b>58,012,813</b>
<b>TOTAL</b>		<b>370,903,716</b>	<b>354,903,279</b>
Summary of Significant accounting policies 1			
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
<b>For Satish Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 109333w			
Satish Soni		Director	Director
Proprietor		Rajiv Agarwal	Rakesh Chand Agarwal
M.No 44391		DIN: 03445523	DIN: 03539915
Place : Mumbai		CFO	Company Secretary
Date : 30/05/2017		Seema Mittal	Diwaker Dubey

**SULABH ENGINEERS & SERVICES LIMITED**
**Annual Report 2016-17**

Consolidated Statement of Profit &amp; Loss for the year ended 31st March 2017

(In Rupees)

Particulars	Note No.	As at March 31, 2017	As at March 31, 2016
I. Revenue from operations (net)	15	52,265,416	20,683,432
II. Other Income	16	798,963	323,178
<b>III. Total revenue (I+II)</b>		<b>53,064,379</b>	<b>21,006,610</b>
IV. Expenses			
1. Increase/decrease in Inventory		2,668,877	-6,004,366
2. Employee benefits expense	17	8,230,922	7,338,723
3. Depreciation and amortisation expense	7	863,443	847,749
4. Finance Cost	18	6,916,483	7,264,963
5. Other expenses	19	4,706,775	4,045,233
<b>Total expenses (1 - 4)</b>		<b>23,386,500</b>	<b>13,492,302</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		29,677,879	7,514,308
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		29,677,879	7,514,308
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		29,677,879	7,514,308
X. Tax expense:			
(1) Current tax		1,900,000	2,200,000
(2) Tax Expenses of Previous Year		287,235	-217,945
(3) Deferred tax		-21,265	-12,261
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		27,511,909	5,544,514
XII. Profit/(loss) from discontinuing operations		Nil	Nil
XIII. Tax expense of discontinuing operations		Nil	Nil
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		Nil	Nil
XV. Profit (Loss) for the period (XI + XIV)			
XVI. Earnings per equity share			
(1) Basic		0.27	0.06
(2) Diluted		0.27	0.06
Summary of Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
<b>For Satish Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 109333w			
Satish Soni	Director	Rajiv Agarwal	Director
Proprietor		DIN: 03445523	Rakesh Chand Agarwal
M.No 44391			DIN: 03539915
Place : Mumbai	CFO		Company Secretary
Date : 30/05/2017	Seema Mittal		Diwaker Dubey

<b>SULABH ENGINEERS &amp; SERVICES LIMITED</b>		
<b>Cash Flow Statement for the year ended March 31, 2017</b>		
<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>A) Cash flow from operating activities</b>		
Net Profit before tax	29,677,879	7,514,308
<b>Adjustments for:</b>		
Depreciation and amortisation	863,443	847,749
Operating profit / (loss) before working capital changes	<b>30,541,322</b>	<b>8,362,057</b>
<b>Changes in working capital:</b>		
Decrease/(increase) in Inventories	2,668,877	-6,004,366
Decrease/(increase) in Trade Receivable	-7,318,901	-86,358
Decrease/(increase) in long-term loans & advances	-2,981,235	4,897,262
Decrease/(increase) in short-term loans & advances	1,385,285	-6,380
Decrease/(increase) in Other non-current assets	190,753	447,321
Increase/(decrease) in Other current liabilities	260,418	641,840
Increase/(decrease) in Short-term provisions	-1,369,910	65,358
Cash generated from operations	<b>23,376,609</b>	<b>8,316,734</b>
Net income tax (paid) / refunds	-3,436,736	-2,882,189
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>19,939,873</b>	<b>5,434,545</b>
<b>B) Cash flow from financing activities</b>		
Changes in Short term Borrowings	-	-1,279,961
Changes in Long term Borrowings	-10,401,981	43,114
<b>Net cash flow from / (used in) financing activities (B)</b>	<b>-10,401,981</b>	<b>-1,236,847</b>
<b>C) Cash flow from investing activities</b>		
Purchase of fixed assets, including capital wip	-	-3,600
Purchase of non-current investments	-17,514,079	-2,284,398
<b>Net cash flow from / (used in) investing activities (C)</b>	<b>-17,514,079</b>	<b>-2,287,998</b>
<b>D) Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-7,976,187</b>	<b>1,909,700</b>
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>12,907,088</b>	<b>10,997,388</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>4,930,901</b>	<b>12,907,088</b>
<b>Components of Cash &amp; Cash Equivalents (As per Note : 10 )</b>		
Cash on Hand	1,356,728	260,254
Balance with Banks		
- In Current Accounts	3,574,173	2,647,834
- In Deposit Accounts	Nil	9,999,000
<b>Total Cash &amp; Cash Equivalents</b>	<b>4,930,901</b>	<b>12,907,088</b>
The above statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash Flow Statements		
As per our report of even date		
<b>For Satish Soni &amp; Co.</b>	<b>For and on behalf of the Board</b>	
Chartered Accountants		
FRN : 109333w		
Satish Soni	Director	Director
Proprietor	Rajiv Agarwal	Rakesh Chand Agarwal
M.No 44391	DIN: 03445523	DIN: 03539915
Place : Mumbai	CFO	Company Secretary
Date : 30/05/2017	Seema Mittal	Diwaker Dubey



**Significant Accounting Policies and Notes on Accounts**

Note	Particulars
1	<p data-bbox="212 197 521 224"><b>Significant accounting policies</b></p> <p data-bbox="159 226 1110 254"><b>a) Basis of accounting and preparation of financial statements &amp; Principles of consolidation</b></p> <p data-bbox="212 256 1453 346">The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies stated hereunder.</p> <p data-bbox="212 359 1453 575">The consolidated financial statements comprise the financial statements of Sulabh Engineers &amp; Services Limited and its subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Consolidation of an entity begins when the Company obtains control over the entity and ceases when the Company loses control of the entity. Specifically, income and expenses of an entity acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control or until the date when the Company ceases to control the entity, respectively.</p> <p data-bbox="212 611 1453 800">Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent company, i.e., year ended on 31st March.</p> <p data-bbox="159 905 386 932"><b>b) Use of estimates</b></p> <p data-bbox="212 934 1453 1129">The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p> <p data-bbox="159 1167 423 1194"><b>c) Revenue recognition</b></p> <p data-bbox="212 1197 380 1224"><u>Interest Income:</u></p> <p data-bbox="212 1226 1453 1310">Interest income is recognized and accounted on accrual basis as per the agreed terms except in case of Non Performing Assets outstanding for more than 90 days, which is recognized on receipt basis, as per NBFC Prudential Norms.</p> <p data-bbox="212 1346 354 1373"><u>Other income</u></p> <p data-bbox="212 1375 1453 1430">Dividend income is accounted for when the right to receive it is established. Profit/Loss on sale of Investments is accounted on trade dates. Other income are accounted on accrual basis.</p> <p data-bbox="159 1465 607 1493"><b>d) Tangible fixed assets and Depreciation</b></p> <p data-bbox="212 1495 1453 1549">Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any other attributable costs of bringing the assets to their working condition for the intended use.</p> <p data-bbox="212 1606 1453 1661">With effect from April 1, 2014, the Company has followed useful lives of tangible assets as prescribed by Schedule II to the Companies Act, 2013 and depreciation for the current periods has been provided accordingly.</p> <p data-bbox="159 1717 386 1745"><b>e) Intangible assets</b></p> <p data-bbox="212 1747 1453 1864">Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.</p>

**SULABH ENGINEERS & SERVICES LIMITED****Significant Accounting Policies and Notes on Accounts**

Note	Particulars
f)	<p><b>Valuation of Inventories</b> Lower of cost and net realisable value.</p>
g)	<p><b>Segment reporting</b> The Company considers business segments as its primary segment. The Company's operations are predominantly relate to lending &amp; related activities and accordingly, this is the only primary reportable segment. The Company considers geographical segments as its secondary segment. The Company's operations are predominantly within India and accordingly, this is the only secondary reportable segment.</p>
h)	<p><b>Earnings per share</b> Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.</p>
i)	<p><b>Taxes on income</b> Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.  Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.  Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available</p>
j)	<p><b>Foreign currency transactions and translations</b></p> <p><u>Initial recognition</u> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.  In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p>

**SULABH ENGINEERS & SERVICES LIMITED****Significant Accounting Policies and Notes on Accounts**

Note	Particulars
	<p><u>Treatment of exchange differences</u> Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.</p> <p>The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item"</p>
<b>k)</b>	<p><b>Employee benefits</b> The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation.</p>
<b>l)</b>	<p><b>Government grants and subsidies</b> Grants and subsidies are recognised when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying cost of the related assets.</p>
<b>m)</b>	<p><b>Provisions and contingencies</b> A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>
<b>n)</b>	<p><b>Provisioning/ write-off of assets</b> Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non Systematically Important Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. Provision on standard assets is made as per management estimates and is as specified in the notification DNBR (PD) CC.No.044/03.10.119/2015-16 issued by Reserve Bank of India.</p>
<b>o)</b>	<p><b>Investments</b> Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.</p>

Note 2 Share capital		
Particulars	As at March 31, 2017	As at March 31, 2016
<b>(a) Authorised</b>		
11,00,00,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -11,00,00,000 Equity shares of Rs. 1/- each with voting rights)	110,000,000	110,000,000
	110,000,000	110,000,000
<b>(b) Issued, Subscribed and fully paid up</b>		
10,04,75,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -10,04,75,000 Equity shares of Rs. 1/- each with voting rights)	100,475,000	100,475,000
<b>Total</b>	<b>100,475,000</b>	<b>100,475,000</b>

The Company has only one class of shares referred to as equity shares having a par value of Rs. 1/-. Each holder of equity shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	Amount-Rs	No. of Shares	Amount-Rs
Number of shares at the beginning	100,475,000	100,475,000	100,475,000	1,004,750,000
Add: Shares issued during the year	Nil	Nil	Nil	Nil
<b>Number of shares at the end</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>1,004,750,000</b>

Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholders	As at March 31, 2017		As at March 31, 2016	
	No. of Shares	% held	No. of Shares	% held
Ruchi Agarwal	5,816,000	5.79%	6,000,000	5.97%
Sandhya Agarwal	5,375,000	5.35%	5,400,000	5.37%
<b>Number of shares at the end</b>	<b>11,191,000</b>	<b>11.14%</b>	<b>11,400,000</b>	<b>11.35%</b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note 3 Reserves and surplus</b>		
<b>a. Securities Premium Account</b>		
Opening balance	98,000,000	98,000,000
Add: Profit / (Loss) for the year	Nil	Nil
Closing Balance	98,000,000	98,000,000
<b>b. Special Reserve under Section 45-IC of RBI Act, 1934</b>		
Opening balance	3,615,285	2,621,743
Add: Transfer during the year	5,502,382	993,542
Closing Balance	9,117,667	3,615,285
<b>c. General Reserve</b>		
Opening balance	2,401,244	2,401,244
Add: Any other Adjustments	Nil	Nil
Closing Balance	2,401,244	2,401,244
<b>d. Surplus</b>		
Opening balance	20,463,371	18,201,908
Add: Opening MI	2,289,509	Nil
Add: Net Profit for the Year	27,511,909	5,544,514
Less: Transfer to Reserve u/s 45-IC of RBI Act, 1934 (Being 20% of profits after tax for the period)	5,502,382	993,542
Less: Minority Interest	13,830,914	2,289,509
Closing Balance	30,931,493	20,463,371
<b>Total</b>	<b>140,450,404</b>	<b>124,479,900</b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Note 4 Long-term Borrowings</b>		
Unsecured		
From Directors	10,900,000	12,900,000
From Shareholders	79,500,000	86,000,000
From Bodies Corporate	76,678,296	85,080,277
	167,078,296	183,980,277
Less: Intercompany Loans	80,000,000	86,500,000
	87,078,296.00	97,480,277
<b>Note 5 Other current liabilities</b>		
Other payables		
(i) Statutory remittances		
TDS payables	21,348	32,933
Statutory Dues Payable	1,418,045	994,448
(ii) Other Payables	832,245	983,839
	2,271,638	2,011,220
<b>Note 6 Short Term Provisions</b>		
Provision for Tax	1,900,000	3,173,537
Provision for Standard Assets	397,464	493,837
	2,297,464	3,667,374
<b>Note 8 Non-current Investments</b>		
<b>Long term Investments - Non Trade</b>		
<b>In Fully paid up equity shares -Unquoted</b>		
<b>- In Subsidiaries/Holding Company</b>		
Rodic Coffee Estates Private Limited	25,500,000	25,500,000
(25,50,000 Eq. Shares, Previous Year - 25,50,000 Eq. Shares )		
Less: Investment by Holding Company	-25,500,000	-25,500,000
<b>In Mutual Funds -</b>	31,309,349	13,795,270
<b>In Gold Coins</b>	570,650	570,650
	31,879,999	14,365,920
Aggregate market value of unquoted investments	31,879,999	14,365,920
<b>Note 9 Long-term loans and advances</b>		
Loans & Advances towards financing activities -Unsecured	158,985,655	164,612,410
Less: Mutual Owings	-80,000,000	-86,500,000
Security Deposit	5,000	5,000
Advance for capital goods	9,056,160	6,948,170
	88,046,815	85,065,580
<b>Note 10 Inventories</b>		
(As valued, taken & certified by management, Valued at net realizable value)		
Closing Stock (Finished Goods)	38,698,144	41,367,021
	38,698,144	41,367,021
<b>Note 11 Trade Receivable</b>		
Unsecured Considered good		
Over six months	Nil	Nil
Others	7,405,259	86,358
	7,405,259	86,358
<b>Note 12 Cash and cash equivalents</b>		
Cash on hand	1,356,728	260,254
Balance with Scheduled Bank		
In Current Accounts	3,574,173	2,647,834
In Fixed Deposits	Nil	9,999,000
	4,930,901	12,907,088
<b>Note 13 Short-term loans and advances</b>		
Balances with Government Authorities		
Advance tax & TDS	1,905,494	3,290,262
Security Deposit	150,000	150,000
Other loans and advances		
Prepaid Insurance	3,281	3,798
Advance to Suppliers / Others	8,733	8,733
	2,067,508	3,452,793
<b>Note 14 Other current assets</b>		
Unamortised Share Issue Expenses & Preliminary Expenses	Nil	146,104
Prepaid Expenses	8,800	835
Interest Accrued on Fixed Deposit Account	Nil	52,614
Interest Accrued on Loans	Nil	Nil
	8,800	199,553

**SULABH ENGINEERS & SERVICES LIMITED**

**Note 7 Fixed assets Schedule**

Assets	Gross block			Accumulated depreciation and impairment				Net Block	
	Opening Balance as at April 1, 2016	Additions/Adjustment/Deletions	Closing Balance as at March 31, 2017	Opening Balance as at April 1, 2016	Depreciation/amortisation for the year	Deletions	Closing Balance as at March 31, 2017	Closing Balance as at March 31, 2017	As at March 31, 2016
<b>Tangible Assets-Owned</b>									
Land	192,772,715	-	192,772,715	-	-	-	-	192,772,715	192,772,715
Civil Structure	2,502,000	-	2,502,000	590,700.00	166,041.00	-	756,741	1,745,259	1,911,300
Building & Shed	1,917,000	-	1,917,000	584,216.00	111,957.00	-	696,173	1,220,827	1,332,784
Plant & Machinery	452,000	1,444,247	1,896,247	191,009.00	289,907.00	-	480,916	1,415,331	260,991
Vehicle	695,330	-	695,330	396,798.00	69,033.00	-	465,831	229,499	298,532
Motor Cars	2,200,789	-1,195,250	1,005,539	1,611,540	178,004	-952,351	837,193	168,346	589,249
Motor Cycles	102,373	-	102,373	53,946	12,973	-	66,919	35,454	48,427
Furniture	111,500	-	111,500	60,196	10,532	-	70,728	40,772	51,304
Computers	228,095	10,800	238,895	202,033	10,618	-	212,651	26,244	26,062
Office Equipments	18,080	37,354	55,434	12,312	14,378	-	26,690	28,744	5,768
<b>TOTAL</b>	<b>200,999,882</b>	<b>297,151</b>	<b>201,297,033</b>	<b>3,702,750</b>	<b>863,443</b>	<b>(952,351)</b>	<b>3,613,842</b>	<b>197,683,191</b>	<b>197,297,132</b>
Previous Year	<b>200,996,282</b>	<b>3,600</b>	<b>200,999,882</b>	<b>2,855,001</b>	<b>847,749</b>	<b>-</b>	<b>3,702,750</b>	<b>197,297,132</b>	

**SULABH ENGINEERS & SERVICES LIMITED**

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Note 15 Revenue from operations</b>		
Interest on loans & advances under financing activities	7,165,369	7,567,355
Sale of Goods	43,033,961	10,631,815
Profit on sale of Investments	482,776	1,013,348
Interest on Debentures	1,144,282	1,385,835
Dividend on Mutual Funds	342,655	85,079
Excess provision for standard assets written back	96,373	Nil
<b>Total Revenue from operations</b>	<b>52,265,416</b>	<b>20,683,432</b>
<b>Note 16 Other income</b>		
Fallen Tree	788,974	318,473
Others	9,989	4,705
<b>Total Revenue from operations</b>	<b>798,963</b>	<b>323,178</b>
<b>Note 17 Employee benefits expense</b>		
Salaries and wages	7,671,754	6,595,833
Contribution to Provident Fund and Other Funds	86,829	93,097
Staff Welfare	292,339	469,793
Directors' Remuneration	180,000	180,000
<b>Total</b>	<b>8,230,922</b>	<b>7,338,723</b>
<b>Note 18 Finance Cost</b>		
Interest	6,909,256	7,259,557
Bank Charges	7,227	5,406
<b>Total</b>	<b>6,916,483</b>	<b>7,264,963</b>
<b>Note 19 Other expenses</b>		
Advertisement	182,182	240,259
Annual Fees - Stock Exchange	229,000	224,720
Communication Expenses	29,068	41,818
Cultivation Charges	Nil	165,000
CDSL N NSDL	113,550	108,750
Handling Charges	5,220	35,137
Donation	30,000	Nil
Electricity Charges	44,244	67,560
Filing Fee	35,925	24,040
Insurance	38,966	59,322
Legal and professional Charges	607,571	440,870
Loss on sale of fixed assets	42,900	Nil
Miscellaneous expenses	48,588	67,551
Payments to auditors		
<i>Audit Fees</i>	160,000	110,000
<i>Certification Charges</i>	35,000	25,658
<i>Others</i>	20,250	10,592
Pesticides	1,353,849	813,410
Postage & Telegram	32,595	20,177
Printing and stationery	80,209	41,475
Provision for Sub-standard Assets	Nil	65,358
Rent	365,250	347,175
Repair & Maintenance	797,165	605,412
Seeds Expenses	52,260	Nil
Share issue & Preliminary Expenses W/off	146,104	146,104
VAT Expenses	Nil	100,320
Travelling and conveyance	256,879	284,525
<b>Total</b>	<b>4,706,775</b>	<b>4,045,233</b>
<b>Note 20 Contingent liabilities</b>	Nil	Nil
<b>Note 21 Dues to Micro, Small and Medium Enterprises</b>		
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	Nil	Nil

**SULABH ENGINEERS & SERVICES LIMITED**

Particulars	For the year ended	For the year ended	
	March 31, 2017	March 31, 2016	
<b>Note 22 Deferred Tax Assets (Net)</b>			
<b>Deferred Tax Liability on account of difference in</b> Depreciation as per tax books and financial books	183,099	161,834	
<b>Note 23 Expenditure in foreign currency</b>	Nil	Nil	
<b>Note 24 Earnings in foreign exchange</b>	Nil	Nil	
<b>Note 25 Employee benefits</b>	Nil	Nil	
<b>Note 26 Related party transactions Note: Related parties have been identified by the Management.</b>			
<b>Description of relationship</b>	<b>Names of related parties</b>		
<b>Key Management Personnel (KMP)</b>	Manoj Kumar Agarwal - WTD & Chairman  Seema Mittal - Director, CFO Rajiv Agarwal - Director Rakesh Chand Agarwal - Director Sudeepti Srivastava- Director Diwaker Dubey- Company Secretary Raj Kumar Vimal Kumar Sharma Manish Agarwal Diwaker Dubey- Company Secretary		
<b>Significant Influence</b>	Rodic Consultant P Ltd GL Sharma Stock Brokers P Ltd Prabhat Securities P Ltd		
<b>Subsidiary Company</b>	Rodic Coffee Estates P Ltd		
<b>Details of related party transactions during the year and balances outstanding:</b>			
Particulars		For the year ended	
<b>Directors' Remuneration</b>		Nil	
Manoj Kumar Agarwal		180,000	
Seema Mittal			
<b>Loans &amp; Advance</b>			
Raj Kumar		10,900,000	
Rodic Coffee Estates Private Limited		80,000,000	
<b>Repayment received Loans &amp; Advance</b>			
Raj Kumar		2,000,000	
GL Sharma Stock Broker P Ltd		2,679,978	
Prabhat Securities Limited		1,763,347	
Rodic Coffee Estates Private Limited		6,500,000	
<b>Note 27 details of Specified Bank Notes (SBN) held and transacted during the period from 08/11/2016 to 30/12/2016</b>			
	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash in hand as on 08.11.2016	2,025,000	259,737	2,284,737
(+) Permitted receipts	Nil	873,088	873,088
(+) Withdrawal from Bank	Nil	175,000	175,000
(-) Permitted payments	Nil	763,646	763,646
(-) Amount deposited in Banks	2,025,000	185,000	2,210,000
<b>Closing cash in hand as on 30.12.2016</b>	<b>Nil</b>	<b>359,179</b>	<b>359,179</b>
<b>Note 28 Previous year's figures</b>			
Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.			
As per our report of even date			
<b>For Satish Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 109333w			
Satish Soni	Director	Director	
Proprietor	Manoj Kumar Agarwal	Rakesh Chand Agarwal	
M.No. 44391	DIN: 03445523	DIN: 03539915	
Place : Mumbai	CFO	Company Secretary	
Date : 30/05/2017	Seema Mittal	Diwaker Dubey	



## Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

S. L. No.	Particulars	Sl. No.-01
01	Name	Rodic Coffee Estates Pvt. Ltd.
02	Reporting Period	01.04.2016-31.03.2017
03	Reporting Currency	INR
04	Share Capital	50000000
05	Reserves & Surplus	28226356
06	Total Assets	247185978
07	Total Liabilities	247185978
08	Investments	NIL
09	Turnover	43822935
10	Profit before Taxation	23549056
11	Provision for Taxation	(4832)
12	Profit after Taxation	23553888
13	Proposed Dividend	Nil
14	% of Shareholding	51.00 %

### Notes

- 1 Names of subsidiaries which are yet to commence operations: **NIL**
- 2 Names of subsidiaries which have been liquidated or sold during the year: **NIL**

### Part "B": Associates and Joint Ventures

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

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting (AGM) of members of Sulabh Engineers and Services Limited will be held on Wednesday, September 27, 2017, at 03:00 P.M. IST at **206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg , Parsi Panchayat Road, Andheri (East),Mumbai-400069** India, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet (Stand Alone and Consolidated) as at March 31, 2017 the Profit & Loss Account for the year ended on that date together with the Schedules and Notes attached thereto, along with the Reports of the Auditors and Directors thereon.
2. To reappoint Mrs. Seema Mittal, (DIN: 06948908) Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Thirty Fourth Annual General Meeting, until the conclusion of the Thirty ninth Annual General Meeting and to fix their remuneration and pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 139 of Companies Act, 2013 and rules made thereunder, as amended from time to time, M/s. Sunil Soni & Co, Chartered Accountants, Mumbai, (M.N. 123634, Firm Registration no. 129161W), be and are hereby appointed as Auditors for a term of five years i.e. from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Thirty ninth AGM (subject to ratification of their appointment at every AGM), at such terms and remuneration as may be agreed upon between the Audit Committee/ the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force consent of the Members be and is hereby accorded to the appointment of Mr. Manoj Kumar Agarwal (DIN:01767926) as Whole Time Director of the Company for a period of five years with effect from 01 October 2016 to 30 September 2021.

**"RESOLVED FURTHER THAT** pursuant to provisions of Sections , 197(1), and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and other applicable provisions of other Sections of the Companies Act,

consent of members of the Company be and is hereby accorded for payment to Mr. Manoj Kumar Agarwal of a monthly remuneration of Rs. 50,000 (Fifty thousand only) per month all inclusive.

**RESOLVED FURTHER THAT** the Board of Directors (on the recommendations of the Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of the Whole Time Director in such manner as may be permissible in accordance with the provisions of the Companies Act, 2013 and Schedule V as may be agreed to by and between the Board of Directors and Mr. Manoj Kumar Agarwal, without any further reference to the shareholders in general meeting .

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits during the tenure of service of Mr. Manoj Kumar Agarwal as Whole Time Director of the Company, the payment of salary, shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** Mr. Manoj Kumar Agarwal as the Whole Time Director shall apart from his salary be entitled to travelling allowance as per the rules prescribed by the Company in this regard.

**RESOLVED FURTHER THAT** as the Whole Time Director of the Company, Mr. Manoj Kumar Agarwal shall, subject to the supervision, control and directions of the Board of Directors of the Company, exercise substantial powers of management and manage the business and affairs of the Company."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

By the order of Board  
For Sulabh Engineers and Services Limited

Sd/-  
(Diwaker Dubey)  
Company Secretary

Date: 03 August 2017  
Place: Kanpur

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy Form should be lodged with the Company at the Registered Office at least 48 hours before the time of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution pursuant Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. **The Register of Members and Share Transfer Books will remain closed from Thursday, September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive) for the purpose of AGM.**
6. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Limited.
7. **Members who have not registered their e-mail id addresses so far are requested to register their e-mail address in case of physical holding with the Company and in case of demat holding with the Depository Participant.**
8. Electronic copy of the notice of the 34<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent to all the members whose e-mail address are registered with the Company/Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the notice of the 34<sup>th</sup> Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent in the permitted mode.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/**Skyline Financial Services Pvt. Ltd** ,D-153-A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi, Delhi, 110020
10. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of declaration of the result of the 34<sup>th</sup> Annual General Meeting of the Company.
11. Pursuant to Sections Section 123,124,125 of the Companies Act, 2013 any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Company to a fund called 'Investor

Education and Protection Fund' (the Fund) set up by the Central Government. **There are no unpaid and unclaimed amounts lying with the Company.**

12. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in Demat / electronic form, the nomination form may be filed with the respective Depository Participant.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. **Skyline Financial Services Pvt. Ltd**, for consolidation into a single folio.
14. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and as per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements), the Company has provided e-voting facility for members to cast their vote electronically from the place other than Annual General Meeting ("remote e-voting").
15. The instructions for Members for voting electronically are as under:

### **INSTRUCTIONS FOR E-VOTING**

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 34<sup>th</sup> Annual General Meeting of the Company by electronic means and the business may be transacted through e-Voting services provided by provided by the Central Depository Services Limited.(CDSL)

The Company has approached CDSL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link [www.evotingindia.com](http://www.evotingindia.com) or [www.sulabh.org.in](http://www.sulabh.org.in)

The remote e-voting period commences on Sunday, September 24, 2017 at 09:00.a.m. and ends on September 26, 2016 at 05:00 p.m. During this period shareholders' of the Company, may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The Voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cutoff date of 20<sup>th</sup> September, 2017. any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. of 20<sup>th</sup> September, 2017 may obtain the login ID and password by sending a request at [admin@skylinerta.com](mailto:admin@skylinerta.com)

The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Polling Paper.

**PROCEDURE FOR REMOTE E-VOTING:**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 24<sup>th</sup> September, 2017 (09.00 am) and ends on 26<sup>th</sup> September, 2017 (05.00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu where in they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN for the relevant **SULABH ENGINEERS AND SERVICES LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- In case of members receiving physical copy of Notice of AGM:**
- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
- (B) The voting period begins on Sunday, September 24, 2017 at 09:00.a.m. IST and ends on Tuesday September 26, 2017 at 05:00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, September 20,2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)



- (D) Dr. S. K. Jain, Practicing Company Secretary (Membership No. 1473) has been appointed as scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (F) The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favors or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (G) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.sulabh.org.in](http://www.sulabh.org.in) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO-3**

In accordance with the provisions of Section 139 of the Companies Act 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of 5 years and such appointment is subject to ratification by the Members every year in the annual general meeting. The Act further makes it mandatory to rotate the statutory auditors after completion of terms of 5 years,

Ms Satish Soni & Co., have been the statutory auditors of the company for 05 years. In order to comply with the requirements mentioned above, it is proposed to go in for rotation of Statutory Auditors at the ensuing 34th Annual General Meeting by appointing a new firm of Chartered Accountants to act as the Statutory Auditors of the Company.

M/s. Sunil Soni & Co, Chartered Accountants, Mumbai, (M.N. 123634, Firm Registration no. 129161W), have been identified for appointment as the Statutory Auditors of the Company.

Being eligible for appointment under the provisions of the Companies Act, 2013, they have furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. The Board of Directors, on the recommendations of the Audit Committee, at the meeting held on 3rd August, 2017, proposed the appointment of M/s. Sunil Soni & Co, Chartered Accountants, Mumbai, (M.N. 123634, Firm Registration no. 129161W) as the Statutory Auditors of the Company for a period of 5 years from the conclusion of the Thirty fourth Annual General Meeting until the conclusion of the Thirty ninth Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and to authorize the Board of Directors of the Company to fix their remuneration.

The Board recommends the Resolution for approval by the Members of the Company.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the aforesaid Ordinary Resolution.

The Board recommends the resolution set forth in Item no. 3 for the approval of the members.

**ITEM NO-4**

Based on the recommendation of the Nomination and Remuneration Committee, The Board wide its meeting held on 29 September 2016 appointed Mr. Manoj Kumar Agarwal was as Whole Time Director on the Board of the Company for a period of five years with effect from 01 October 2016 to 30 September 2021, subject to the approval of the Members.

The remuneration and other terms and conditions of Mr. Agarwal's appointment as Whole Time Director as set out in the resolution is subject to your approval. Other details required to be disclosed in terms of the provisions of Secretarial Standard on General Meetings form part of this Notice. Mr. Manoj Kumar Agarwal is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives other than Mr. Manoj Kumar Agarwal and his relatives are, in any way, concerned or interested in the said resolutions. The resolutions as set out in item no 4 of this Notice is accordingly commended for your approval.

**PARTICULARS RELATING TO DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED**

NAME	SEEMA MITTAL	MANOJ KUMAR AGARWAL
FATHER'S NAME	LAXMI NARAIN DALMIA	SANTOSH KUMAR AGARWAL
D.O.B.	21/06/1969	01/01/1972
ADDRESS	HN. 93113- Swaroop Nagar , KANPUR- 208002 Email- seemamittal1969@gmail.com	3/98,Vishnu Puri Kanpur-02 Email: manoj.july12@gmail.com
QUALIFICATION	Graduate	Graduate
EXPERIENCE	She is business consultant and having good knowledge of legal aspects of business matters with experience of more than fifteen years.	Mr. Manoj Kumar Agarwal is (Promoter Director) an industry veteran and has more than two decades of experience of working with various finance and investment companies.
OTHER DIRECTORSHIP	NIL	Accumen poly pack private limited Sulabh agro private limited Arnav infra promoter private limited Arnav infrabuild private limited
SHAREHOLDING IN THE COMPANY	NIL	292,500

By the order of Board  
For Sulabh Engineers and Services Limited

Sd/-  
(Diwaker Dubey)  
Company Secretary

Date: 03 August 2017  
Place: Kanpur

**SULABH ENGINEERS AND SERVICES LIMITED**

**CIN: L28920MH1983PLC029879**

Regd. Office: **206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg, Parsi Panchayat Road, Andheri (East), Mumbai-400069** India

Corporate Office: 17/11, The Mall, Kanpur-208001

Tel.: Registered Office: 022-67707822

Corp Office: Tele No- 0512-2311226, 2319705 Fax No- 0512- 2363774

Website: [www.sulabh.org.in](http://www.sulabh.org.in) Email. [sulabheng22@gmail.com](mailto:sulabheng22@gmail.com), [sulabhinvestorcell@gmail.com](mailto:sulabhinvestorcell@gmail.com)

**ATTENDANCE SLIP**

(To be presented at the entrance)

Please complete this attendance slip and hand it over at the entrance of the meeting hall. Joint Shareholders may obtain additional attendance slips on request. (Folio No.s, DP ID\*, Client ID\* & Name of the Shareholder/ Joint holder/s/ Proxy in BLOCK LETTERS to be furnished below)

Name of Shareholder/ Proxy	DP ID*	Client ID*	Folio	No. of shares held

I certify that I am a member/proxy of the Company.

I hereby record my presence at the Annual General Meeting of the Company to be held at its Registered Office, **206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg, Parsi Panchayat Road, Andheri (East), Mumbai-400069** on Wednesday, the 27<sup>th</sup> day of September 2017 at 03:00 PM.

Member's/ Proxy name in BLOCK letters

Signature of Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting

*BLANK*

Form No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**SULABH ENGINEERS AND SERVICES LIMITED**

CIN: L28920MH1983PLC029879

Regd. Office: **206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg, Parsi Panchayat Road, Andheri (East), Mumbai-400069** India

Corporate Office: 17/11, The Mall, Kanpur-208001

Tel.: Registered Office: 022-27654092

Corp Office: Tele No- 0512-2311226, 2319705 Fax No- 0512- 2363774

Website: [www.sulabh.org.in](http://www.sulabh.org.in) Email: [sulabheng22@gmail.com](mailto:sulabheng22@gmail.com), [sulabhinvestorcell@gmail.com](mailto:sulabhinvestorcell@gmail.com)

Name of the member (s): .....

Registered address: .....

E-mail Id:

.....

Folio No/ Client Id: .....

DP ID:

.....

I/We, being the member (s) of .....shares of the above named Company, hereby appoint

1.Name:.....Address:..... E-mail Id:.....

.....Signature:....., **or failing him**

2.Name:.....Address:.....

E-mail Id: .....Signature:....., **or failing him**

3.Name:.....Address:.....

....

E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on the Wednesday, September 27, 2017 at 03.00 P.M. at 206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg, Parsi Panchayat Road, Andheri (East), Mumbai-400069 and at any **adjournment thereof in respect of such resolutions as are indicated below:**

<b>Ordinary Business</b>		<b>Optional*</b>	
<b>Resolution No.</b>	<b>Item</b>	<b>For</b>	<b>Against</b>
1	Adoption of financial statement for the year ended March 31, 2017		
2.	Reappoint Mrs. Seema Mittal, (DIN: 06948908) Director who retires by rotation		
3.	To appoint M/S Sunil Soni & Co., Chartered Accountants as Statutory Auditors of the company		
<b>Special Business</b>			
4.	Appointment of Mr. Manoj Kumar Agarwal (DIN: 01767926) as Whole Time Director		

Signed this ..... day of ..... 2017.

Signature of shareholder

Affix Re1/- Revenue Stamp Here
--------------------------------------

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.

2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

\* it is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

## Route Map of Venue

