

SULABH ENGINEERS & SERVICES LIMITED

ANNUAL REPORT

2018-19

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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

Tele No- 022-67707822 Fax No. - 022- 67707822

E- Mail: [sulabheng22@gmail.com](mailto:sulabheng22@gmail.com), [sulabhinvestorcell@gmail.com](mailto:sulabhinvestorcell@gmail.com)

**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**

##### *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.

#### **Mr. Deepak Agarwal**

##### *Independent Director*

Deepak Agarwal is a experienced businessman having vast expertise in the field of Education and Finance.

#### **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. She resigned from the company w.e.f 28 May, 2019.

#### **C.A. Vijay Kumar Jain**

##### *Independent Director*

Vijay Kumar Jain 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. He was appointed as an Additional Director(Independent) on the Board of the Company on 28<sup>th</sup> May, 2019



**COMPANY SECRETARY**

Mr. Siddharth Dwivedi

**AUDITORS**

Sunil Soni & Co.

Chartered Accountants

11B/4, Indian Airlines Colony, Kalina Santacruz(East),

Mumbai – 400029, India.

Tel: 91-22-26655910.

**SECRETARIAL AUDITOR**

GOPESH SAHU

205-A, Anand Tower, 117/K/13, Sarvodaya Nagar, Kanpur-208025

0512-2505455

\* Mrs. Sudeepti Srivastava resigned from the company w.e.f 28 May, 2019.

\*\* Vijay Kumar Jain was appointed as an Additional Director(Independent) on the Board of the Company on 28<sup>th</sup> May, 2019.

## DIRECTOR'S REPORT

Stakeholders

Board of Directors is privileged to present with great honor, this 36<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, 2019.

### FINANCIAL RESULTS (STANDALONE):

Particulars	2018-19 (INR.)	2017-18 (INR.)
Revenue From Operations	5,485,062	8,723,125
Other Income	234,832	-
Total Income	<b>5,719,894</b>	<b>8,723,125</b>
<b>Profit/(Loss) Before Interest &amp; Dep.</b>	<b>3,360,309</b>	<b>6,251,437</b>
Less: Interest	8,647	643
Less: Depreciation	31,360	83,103
<b>Profit / (Loss) Before Tax</b>	<b>3,320,302</b>	<b>61,67,691</b>
Less: Current Tax	800,000	15,00,000
Less: Deferred Tax	33,247	46,526
Tax expense of previous year	(880,600)	5,494
<b>Net Profit After Tax</b>	<b>3,367,655</b>	<b>4,615,671</b>

### RESULTS OF OPERATIONS AND STATE OF AFFAIRS (STANDALONE)

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

- Total Revenue from Operations decreased to 34.43% to Rs. 5,719,894 (as compare to Previous year Rs. 8,723,125/).
- Profit Before Interest & Dep. decreased to 46.25% Rs. 3,360,309/- (as per Previous year Rs. 6,251,437/-).
- profit after tax of the Company is also decreased to 27.04% in the current financial year which amounts to Rs. 3,367,655 as compared to Previous year Rs. 4,615,671/-

### FINANCIAL RESULTS (CONSOLIDATED)

Particulars	2018-19 (INR.)	2017-18 (INR.)
Revenue from Operations	78,553,692	48439597
Other Income	350,186	-
Total Income	<b>78,903,878</b>	<b>48439597</b>
<b>Profit/(Loss) Before Interest &amp; Dep.</b>	<b>24,450,092</b>	<b>34,911,895</b>
Less: Interest	68,713	2,600,425
Less: Depreciation	570,066	609,757
<b>Profit / (Loss) Before Tax</b>	<b>23,811,313</b>	<b>31,701,713</b>
Less: Current Tax	800,000	1,500,000
Less: Deferred Tax	40,803	28,928
Tax expense of previous year	(880,600)	5,494
<b>Net Profit After Tax</b>	<b>23,851,110</b>	<b>30,167,291</b>

## **RESULTS OF OPERATIONS AND STATE OF AFFAIRS (CONSOLIDATED)**

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

- Total Revenue from Operations Increased to 62.89% to Rs. 78,903,878 (as compare to Previous year Rs. 48,439,597/-)
- Profit Before Interest & Dep. decreased to 29.97% Rs. 24,450,092/- (as per Previous year Rs. 34,911,895/-).
- Even profit after tax of the Company decreased to 20.94% in the current financial year which amounts to Rs. 23,851,110 as compared to Previous year Rs. 30,167,291/-.

## **SHARE CAPITAL**

The paid-up equity capital as on March 31, 2019 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, 2019, 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. 673,531/- 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.

A statement containing the silent features of the financial statement of the subsidiary in the prescribed Form AOC-1 are annexed (Annexure- F)

## **SUBSIDIARY COMPANIES**

As on March 31, 2019 the Company has the following subsidiary:

1. Rodic Coffee Estates Private Limited.

The audited financial statements, the Auditors Report thereon and the Board's Report for the Company's subsidiary for the year ended March 31, 2019 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**

Rodic Coffee Estates Private Limited is material subsidiaries of the Sulabh Engineers and Services Limited. 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, 2019, 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, 2019 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**

As was disclosed in the last year annual's report, 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**

The related Party transactions entered by the Company have been clearly identified in Note No. 22 & Note no. 27 (Standalone and Consolidated) respectively in the balance sheet section annexed to this report. Form AOC-2 is attached as Annexure G.

#### **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 mandatorily 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.

All the other directors except Mr. Manoj Kumar Agarwal and Mrs. Seema Mittal are Independent and Non Executive and are not liable to retire by rotation and Mr. Manoj Kumar Agarwal himself being the Whole time Director of the company, Therefore pursuant to 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.

Mrs. Sudeepti Srivastava, an Independent Director rendered his resignation to the company with effect from 28<sup>th</sup> May, 2019 citing the reason of other commitments. The Board took the note for the same on May 28<sup>th</sup>, 2019.

Mr. Vijay Kumar Jain was appointed as an Additional Director (Non Executive-Independent) of the Company in the Board Meeting held on May 28<sup>th</sup>, 2019 and his regularization is pending for the shareholders approval at the ensuing Annual General Meeting.

#### **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 held on 30<sup>th</sup> Day of March 2019.

#### **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 Sunil Soni & Co., was appointed as statutory auditors of the company as per the provisions of section 139 and 141 of the Companies Act, 2013 and rules made there under after obtaining written consent to act as statutory auditor of the company. For a period of five years commencing from the conclusion of 34<sup>th</sup> Annual General Meeting to the conclusion of 39<sup>th</sup> Annual General Meeting.

The resolution for ratification of their appointment is placed before the shareholders for their approval.

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 the Secretarial Audit of the Company for the financial year 2018-19 as required under section 204 of the Companies Act, 2013 and the rules there under. The Secretarial Audit report for the financial year 2018-19 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.

### **Secretarial Auditor (Material Subsidiary Company)**

CS Vaibhav Agnihotri, Practicing Company Secretary conduct the Secretarial Audit of Rodic Coffee Estates Private Limited (Material Subsidiary of Sulabh Engineers and Services Limited) for the financial year 2018-2019 as per requirement under Regulation 24A of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015. Secretarial Audit Report of Material Subsidiary is also required to attach with annual report of holding company, as "Annexure B" to the Board's Report.

## **DISCLOSURES**

### **Audit Committee**

The Audit Committee comprises Independent Directors namely Mr. Deepak 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 three 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**.

### **Web Link of Annual Return**

The Annual Return of the Company would be posted on the website of the company having web link as [www.sulabh.org.in](http://www.sulabh.org.in) . Further to this, 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, 2019 is also attached as Annexure "Annexure C".

### **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 D”.

### **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 of: 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 E”.

### **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**

**Seema Mittal**

Director

DIN: 06948908

Place: Kanpur

Date: 10<sup>th</sup> August 2019

**Rakesh Chand Agarwal**

Director

DIN: 03539915



**Annexure A**  
**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31.03.2019*

*[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 (CIN L28920MH1983PLC029879)** (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, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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. except an instance:

***An enquiry letter calling for information in respect of compliance of the provisions of section 124(6) of the Companies Act, 2013 was issued by IEPF Authority which was adequately replied and necessary compliances required to be made were made therein.***

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. There were changes in the composition of the Board of Directors and KMP wherein resignations of KMP and the

appointment of new KMP and Independent directors made thereupon were duly reported to MCA as per law.

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 Show Cause Notices issued by the SEBI is been dealt with Company and the matter remain sub judice as informed by the management the Company.***

**CS GOPESH SAHU**

FCS:7100

C.P. No. 7800

Place : Kanpur

Date : 10.08.2019

*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.*

**“ANNEXURE – A” to the Secretarial Audit 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.

**CS GOPESH SAHU**

FCS:7100

C.P. No. 7800

Date : 10.08.2019

**“Annexure B”  
SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31.03.2019*

*[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 of

**M/S Rodic Coffee Estates Private Limited**

**211/3, D-288-289, Street No. 10,  
Wadhwa Complex,  
Vikas Marg, Laxmi Nagar  
Delhi -110092**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **RODIC COFFEE ESTATES PRIVATE 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, 2019 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 RODIC COFFEE ESTATES PRIVATE LIMITED for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (vi) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (vii) The Central Goods and Service Tax Act 2017;
- (viii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not applicable during the reporting period**
- (ix) The Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015 and the rules made thereunder; **Not applicable during the reporting period**
- (x) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (not

applicable to the company); **Not applicable during the reporting period**

- (xi) 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 during the reporting period**
- (w) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not applicable during the reporting period**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not applicable during the reporting period**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not applicable during the reporting period**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable during the reporting period**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not applicable during the reporting period**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the reporting 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 during the reporting 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);**
- (vii) 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.

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. Further the Company Secretary of the holding company i.e Sulabh Engineers and Services Ltd. was appointed as the Company Secretary of the Company duly compliant with the applicable provisions of the

Companies Act 2013.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda 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, the company had received a special notice from Mr. Vimal Kumar Sharma, shareholder of the company for appointment of auditors in place of the existing Auditors of the Company. M/s Kamal Gupta Associates were appointed in place of existing auditors M/s Lodhwa Patel Wadhwa & Company. All formalities relating to removal and appointment of statutory auditors were done by the Company and necessary documentation was done with Registrar of Companies.

I further report that during the audit period, the registered office of the company was shifted within the city from 39, 2<sup>nd</sup> Floor Pocket Jasola Vihar New Delhi- 110025 to Office no. 211/3, D 288-289, Street No. 10 Wadhwa Complex, Vikas Marg, Laxmi Nagar, Delhi East, Delhi- 110092. To give effect to the above change the company duly filed necessary E-form i.e INC- 22 with registrar of Companies.

This report is to be read with our letter of even date which is annexed as “**Annexure - B**” and forms an integral part of this Report.

Place: Kanpur

Date: 19/08/2019

Name of Company Secretary in practice / Firm:

**For V. Agnihotri & Associates.**

**( Prop: Vaibhav Agnihotri)**

**ACS No. 36594**

**C P No.: 21596**

**"ANNEXURE – B" to the Secretarial Audit Report**

To,  
The Members,  
**M/S Rodic Coffee Estates Private Limited**  
**211/3, D-288-289, Street No. 10,**  
**Wadhwa Complex,**  
**Vikas Marg, Laxmi Nagar**  
**Delhi -110092**

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the Audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we have followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the 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: 19/08/2019

Name of Company Secretary in practice / Firm:

**For V. Agnihotri & Associates.**

**( Prop: Vaibhav Agnihotri)**

**ACS No. 36594**

**C P No.: 21596**



**Annexure "C"**

**EXTRACT OF ANNUAL RETURN as on the financial year ended March 31, 2019**

*[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, 64990	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>
<b>2. Non Institutions</b>									
a. Body Corporate									
i) Indian	23877749	304200	24181949	24.07	23126810	304200	23431010	23.32	(0.75)

ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Individual									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1499363	3000	1502363	1.50	2219367	NIL	2219367	2.21	0.71
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	44282287	NIL	44282287	44.07	44280982	NIL	44280982	44.08	0.01
c. Others									
i. NRI	1215	NIL	1215	0	12416	NIL	12416	0.01	0.01
ii. Public Trust	18400	NIL	18400	0.02	18400	NIL	18400	0.02	0
iii. HUF	4804748	NIL	4804748	4.78	4798985	NIL	4798985	4.74	(0.04)
IV. Clearing Members/House	601	NIL	601	0.01	27403	NIL	27403	0.03	0.02
V. Others(IEPF)	NIL	NIL	NIL	0	3000	NIL	3000	0	0
<b>Sub-total (B)(2):-</b>	<b>74484363</b>	<b>307200</b>	<b>74791563</b>	<b>74.44</b>	<b>74487363</b>	<b>304200</b>	<b>74791563</b>	<b>74.39</b>	<b>(0.05)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>74484363</b>	<b>307200</b>	<b>74791563</b>	<b>74.44</b>	<b>74487363</b>	<b>304200</b>	<b>74791563</b>	<b>74.44</b>	<b>0</b>
<b>C.SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</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>GRAND TOTAL (A+B+C)</b>	<b>100167800</b>	<b>307200</b>	<b>100475000</b>	<b>100</b>	<b>100170800</b>	<b>304200</b>	<b>100475000</b>	<b>100</b>	<b>NIL</b>

### 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	3.87				3885717	3.87
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.	SAIRAM COMMODITY TRADE PRIVATE LIMITED	2700000	2.69		(2700000)	Shares were sold through normal trading activities	0	0.00
5.(a)	UNICON TIE UP PRIVATE LIMITED	-	-		2700000	Shares were acquired on 22-06-2018 through open market purchase.	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	-	-	-	-
<b>Net Change</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:

As mentioned in the last year's annual report also, 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. Siddharth Dwivedi/Diwakar 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/-	239000/-	419000/-
	(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>239000/-</b>	<b>419000/-</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 "D"**

**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 Mittal is drawing salary in the capacity of Chief Financial Officer (CFO) of the Company and not as a Director. No other Directors are in receipt of remuneration. Hence the clause is not applicable.
<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;	Market capitalization as on March 31, 2018 was 96.96 Cr. Market capitalization as on March 31, 2019 was 12.06 Cr.
	b. Price earnings ratio as at the closing date of the current financial year and previous financial year.	Price earnings ratio of the Company was for 31.03.2018 was 0.05 Price earnings ratio of the Company was for 31.03.2019 was 0.03 There has been a decrease of 87.14 percentages in the price of shares of the Company in due course during the start and end of the financial year.
	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 with the percentile increase in the managerial remuneration and justification thereof	There was no increase in the salaries of employees and in the managerial remuneration

<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 E

### MANAGEMENT DISCUSSION & ANALYSIS

#### **ECONOMIC CONDITION**

The Indian economy retained its tag of the fastest growing major economy in the world in 2018-19. However, overall growth for 2018-19 slumped to a five-year low of 6.8% compared with 7% projected in the second advance estimates released in February. A few factors that have helped India in maintaining its status quo as the fastest growing nation such as Policy reforms, Improvement in infrastructure, Development campaigns etc. The Indian economy is expected to grow at 7.4% in 2019-20 on account of steady improvement in major sectors as government and private consumption remains robust and investment is steadily picking up. One of the main factors - domestic consumption, which drives 60% of the GDP growth is expected to grow up to USD 6 trillion by 2030, supported by a 1.4 billion population. The World Bank (April, 2019) expects India's GDP to accelerate moderately to 7.5% in FY 2019-20 due to sustained strengthening of investments, particularly by the private sector, an improvement in export performance and resilient consumption. India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. Due to Significant domestic reforms are being gradually implemented by the Government.

#### **BUSINESS OVERVIEW**

NBFCs (Non-Banking Financial Companies) play an important role in promoting inclusive growth in the country, by catering to the diverse financial needs of bank excluded customers. Further, NBFCs often take lead role in providing innovative financial services to Micro, Small, and Medium Enterprises (MSMEs) most suitable to their business requirements. NBFCs do play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance. NBFC sector has gained systemic importance in the last few years 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.

NBFCs are financial intermediaries engaged in the business of accepting deposits, delivering credit and play an important role in channelizing the scarce financial resources to capital formation. They supplement the role of the banking sector in meeting the increasing financial needs of the corporate sector, delivering credit to the unorganized sector and to small local borrowers. However, in the present times they do not include services related to agriculture activity, industrial activity, sale, purchase or construction of immovable property. In India, despite being different from banks, NBFC are bound by the Indian banking industry rules and regulations. In India, for NBFC, there is stringent regulation as prescribed by Reserve Bank of India (RBI). Now they are giving tough competition to private sector banks. According to news from the media and Reserve Bank of India in upcoming years, for NBFCs and banks, MSME will be the main growth

drivers. In NBFCs, there is a simpler procedure of sanctioning the credit. There are more flexible terms of repayment.

### **OPPORTUNITIES AND THREATS**

The 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 34.42% to Rs. 57,19,894 (Previous year Rs. 87,23,125/-).

The Company has been focusing on increasing its book size during previous years; but continuous 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**

Internal control is the general responsibility of all members in an organization. However, the following three groups have specific responsibilities regarding the internal control structure.

- Management holds ultimate responsibility for establishing and maintaining an effective internal control structure. Through leadership and example, management demonstrates ethical behavior and integrity within the company.
- The board of directors provides guidance to management. Because board members have a working knowledge of the functions of the company, they help shield the company from managers who try to override some control procedures for dishonest purposes. Often, an efficient board that has access to the company's internal auditors can discover such fraud.

- Auditors within the organization evaluate the effectiveness of the internal control structure and determine whether company policies and procedures are being followed. All employees are part of a communications network that enables an internal control structure to work effectively.
- Although 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**

This document contains statements about expected future events, financial and operating results of Sulabh Engineers and Services Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. 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.

**ANNEXURE- F**

**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

<b>S. L. No.</b>	<b>Particulars</b>	<b>Sl. No.-01</b>
01	Name	Rodic Coffee Estates Pvt. Ltd.
02	Reporting Period	01.04.2018-31.03.2019
03	Reporting Currency	INR
04	Share Capital	50000000
05	Reserves & Surplus	74261431.70
06	Total Assets	223835304.70
07	Total Liabilities	223835304.70
08	Investments	NIL
09	Turnover	75760315
10	Profit before Taxation	20491011.40
11	Provision for Taxation	7556
12	Profit after Taxation	20483455.40
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**

**ANNEXURE- G**

**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:  
No Such Transactions taken place during the year under review.**

- (a) Name(s) of the related party and nature of relationship: - NA
- (b) Nature of contracts/arrangements/transactions: - NA
- (c) Duration of the contracts / arrangements/transactions: - NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: - NA
- (e) Justification for entering into such contracts or arrangements or transactions - NA
- (f) Date(s) of approval by the Board: - NA
- (g) Amount paid as advances, if any: - NA
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: - NA

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship:

**Rodic Coffee Estates Private Limited**  
(It is a subsidiary of Sulabh Engineers and Services Limited)

- (b) Nature of contracts/arrangements/transactions: **Loan to subsidiary Company**
- (c) Duration of the contracts / arrangements/transactions: **02 Years**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:

**An amount of Rs. 28740150.00 as Unsecured Loan had been sanctioned to subsidiary company upon terms and conditions mentioned in the sanction letter have been paid during the reporting period.**

Date(s) of approval by the Board, if any:

**N.A**

(e) Amount paid as advances, if any:

**N.A**

On behalf of the Board of Directors  
**For Sulabh Engineers and Services Limited**

-Sd-

**(Manoj Kumar Agarwal)**

Whole time Director

## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the financial year ended March 31, 2019, 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	Whole Time Director/Promoter	
2.	Mrs. Seema Mittal	Woman Director and Chief Financial Officer	
3.	Deepak Agarwal	Independent Director	
4.	Mr. Rakesh Chand Agarwal	Independent Director	
5.	CS Sudeepti Srivastava	Independent Director	tendered her resignation to the

			Company on May 28th, 2019.
6.	Vijay Kumar Jain	Independent Director	appointed as an additional Director (Independent) to the Company on May 28th, 2019

### 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 12/04/2018, 19/05/2018, 29/05/2018, 26/06/2018, 11/08/2018, 14/11/2018, 11/02/2019 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, 2019 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	06	NIL	02	292500
Mrs. Seema Mittal	06948908	Executive Director	07	07	NO	NIL	NIL	01	NIL
Mr. Deepak Agarwal	02247228	Independent Director	07	05	NO	NIL	01	01	NIL
Mr. Rakesh Chand Agarwal	03539915	Independent Director	07	07	NO	1	02	01	NIL
CS Sudeepti Srivastava	06979356	Independent Director	07	01	NO	NIL	NIL	01	NIL

### MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met once on March 30, 2019, *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:

Sr.No.	Name	Category	Designation
1.	Mr. Deepak 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**

4 (four) Audit Committee were held on **May 28, 2018, August 11, 2018, November 14, 2018, and February 11, 2019**. 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:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Deepak Agarwal	Independent	Chairman	04	04
Mr. Rakesh Chand Agarwal	Independent	Member	04	04
Mr. Manoj Kumar Agarwal	Non-Independent	Member	04	03

## 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:

- To identify and recommend to the Board appointment and removal of directors, Key managerial Personnel and Core Management Team;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- 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. Deepak 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 May 18, 2018, and July 02, 2018.

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

### 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 2018-19, are as under:

SL NO	Name and designation	Salary	Other Benefits	Total
1.	Mr. Manoj Kumar Agarwal Whole Time Director	Nil	Nil	Nil
2.	Mr. Deepak Agarwal Independent Director	Nil	Nil	Nil
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 three times during the year on April 23, 2018, August 11, 2018, and October 18, 2018.

SI No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. Rakesh Chand Agarwal	Independent	Chairman	03	03
2.	Mr. Manoj Kumar Agarwal	Non-Independent	Member	03	02
3.	Mrs. Seema Mittal	Non-Independent	Member	03	03

#### **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
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.
2016-2017	27/09/2017	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road, Andheri (East), Mumbai-400069	03:00 P.M.
2017-2018	26/09/2018	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road, Andheri (East), Mumbai-400069	03:00 P.M.

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

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

#### 5. DISCLOSURES

##### i. Related Party Transactions

During the Financial Year 2018-19, 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 had already 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). The related Party transactions entered by the Company have been clearly identified in Note No. 22 & Note no. 27 (Standalone and Consolidated) respectively in the balance sheet section annexed to this report.

##### 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. 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.

##### iv. 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)

**v. CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

CS Gopesh Sahu Practicing Company Secretary issue certificate that none of the Director on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. Attached as “Annexure H”

**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: Saturday
- Date: 28/09/2019
- Time: 02:00 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 Saturday, September 21, 2019 to Saturday, September 28, 2019.

**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)
April 2018	9.65	5.43
May 2018	5.16	4.07
June 2018	3.87	2.16
July 2018	2.12	1.48
August 2018	1.46	0.72
September 2018	0.80	0.68
October 2018	1.64	0.80
November 2018	2.32	1.67
December 2018	2.20	1.05
January 2019	1.03	0.90
February 2019	0.96	0.91
March 2019	0.93	0.87

**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. Siddharth Dwivedi, has been appointed as the Company Secretary and 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 2019

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	23431010	23.32
Individuals	46500349	46.28
HUF	4798985	4.78
Non Resident Indians	12416	0.01
Trust	18400	0.02
Clearing Members/House	27403	0.03
Others	3000	0.00
<b>Sub-Total(B)</b>	<b>74791563</b>	<b>74.44</b>
<b>Grand Total(A+B)</b>	<b>100475000</b>	<b>100.00</b>

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

Share or Debenture holding Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
1	2	3	4	5
Up To 5,000	574	56.78	576330	0.57
5001 To 10,000	115	11.37	939480	0.94
10001 To 20,000	86	8.51	1280864	1.27
20001 To 30,000	53	5.24	1341815	1.34
30001 To 40,000	20	1.98	709835	0.71
40001 To 50,000	19	1.88	852798	0.85
50001 To 1,00,000	39	3.86	2795331	2.78
1,00,000 and Above	105	10.39	91978547	91.54
<b>Total</b>	<b>1011</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 28/05/2019 stating the particulars specified under the said clause.

**CORPORATE SOCIAL RESPONSIBILITY**

As mentioned in the last year's Annual report also, The Company is consistently taking initiatives 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.



**CS GOPESH SAHU**  
Practicing Company Secretary

Off: 205-A, Anand Tower  
117/K/13, Sarvodaya Nagar  
Kanpur, UP -208025  
0512-2505455, 9450338010  
Email: [csgopesh@gmail.com](mailto:csgopesh@gmail.com)

**ANNEXURE-H**  
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,

The Members of  
**SULABH ENGINEERS AND SERVICES LIMITED**  
206, 2ndFloor, Apollo Complex Premises Coop Society,  
RK Singh Marg, Parsi Panchyat Road,  
Andheri Mumbai-400069

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SULABH ENGINEERS AND SERVICES LIMITED (CIN : L28920MH1983PLC029879)** and having registered office at 206, 2ndFloor, Apollo Complex Premises Coop Society, RK Singh Marg, Parsi Panchyat Road, Andheri Mumbai-400069 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment
1	MANOJ KUMAR AGARWAL	01767926	17/01/2011
2	DEEPAK AGARWAL	02247228	19/05/2018
3	RAKESH CHAND AGARWAL	03539915	02/07/2011
4	SEEMA MITTAL	06948908	26/09/2014
5	VIJAY KUMAR JAIN	08208856	28/05/2019

**CS GOPESH SAHU**  
Practicing Company Secretary

Off: 205-A, Anand Tower  
117/K/13, Sarvodaya Nagar  
Kanpur, UP -208025  
0512-2505455, 9450338010  
Email: [csgopesh@gmail.com](mailto:csgopesh@gmail.com)

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Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For CS GOPESH SAHU**  
**Company Secretary**

*Place: Kanpur*

*Date: 10<sup>th</sup> August, 2019*

**Proprietor**

**FCS: 7100, CP: 7800**



## SUNIL SONI & CO.

Chartered Accountants

# 11B/4, Indians Airlines Colony, Kalina Santacruz(East), Mumbai – 400029, India.

Phone: 91-22-26655910 / Cell: 9702512000, 9869021550.

mail: [sumil.kumar.soni.ca@icai.org](mailto:sumil.kumar.soni.ca@icai.org)

### 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 2019, 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 SUNIL SONI & CO.  
Chartered Accountants

Sd/-  
(CA.Sunil Soni)  
Proprietor  
M.No.-123634  
FRN-129161W

Date: May 28<sup>th</sup> 2019  
Place: Mumbai

**Independent Auditor's Report**

To the Members of

**SULABH ENGINEERS & SERVICES LIMITED****Report on the Audit of the Standalone Financial Statement****Opinion**

We have audited the accompanying standalone financial statements of **SULABH ENGINEERS & SERVICES LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's

Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **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 purposes of our audit
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 relevant 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 Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Sunil Soni & Co.

Chartered Accountants  
(Firm RegistrationNo.:129161W)

Sunil Soni  
Proprietor  
Membership No.:123634

Place: MUMBAI  
Date: 28/05/2019



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

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of even date)**

i. In respect of its fixed assets:

The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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.

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 Order 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 Order 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, 2019 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.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is a Non-banking Financial Company (NBFC) registered under section 45-IA of the Reserve Bank of India Act 1934.

For Sunil Soni & Co.  
Chartered Accountants  
(Firm Registration No.:129161W)

Sunil Soni  
Proprietor  
Membership No.:123634

Place: MUMBAI

Date: 28/05/2019

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

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of even date)

**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, 2019 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 2019, 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 Sunil Soni & Co.**  
**Chartered Accountants**  
**(Firm Registration No.:129161W)**

**Sunil Soni**  
**Proprietor**  
**Membership No.:123634**

Place: MUMBAI  
Date : 28/05/2019

## SULABH ENGINEERS & SERVICES LIMITED

Balance Sheet as at 31 March, 2019

(In Rupees)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	2	100,475,000	100,475,000
(b) Reserves and surplus	3	134,038,287	130,670,632
		234,513,287	231,145,632
(2) Current liabilities			
(a) Other current liabilities	4	226,200	635,774
(b) Short Term Provisions	5	530,102	2,038,841
		756,302	2,674,615
<b>TOTAL</b>		<b>235,269,589</b>	<b>233,820,247</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	6	32,133,472	32,265,001
(b) Non-current Investments	7	55,269,345	51,404,581
(c) Long-term loans and advances	8	141,581,609	143,766,285
(d) Deferred Tax Assets (Net)	19	133,588	166,835
		229,118,014	227,602,702
(2) Current assets			
(a) Cash and cash equivalents	9	5,542,546	4,723,441
(b) Short-term loans and advances	10	609,029	1,494,104
		6,151,575	6,217,545
<b>TOTAL</b>		<b>235,269,589</b>	<b>233,820,247</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 Sunil Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 129161W			
Sunil Soni	Director	Manoj Kumar Agarwal	Director
Proprietor		DIN: 01767926	Rakesh Chand Agarwal
M.No. 123634			DIN: 03539915
Place : Mumbai	CFO		Company Secretary
Date : 28/05/2019	Seema Mittal		Siddharth Dwivedi

## SULABH ENGINEERS & SERVICES LIMITED

Statement of Profit & Loss for the year ended 31st March 2019

(In Rupees)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. Revenue from operations (net)	11	5,485,062	8,723,125
II. Other Income	12	234,832	-
<b>III. Total revenue (I+II)</b>		<b>5,719,894</b>	<b>8,723,125</b>
IV. Expenses			
1. Employee benefits expense	13	685,958	801,000
2. Depreciation and amortisation expense	6	31,360	83,103
3. Finance Cost	14	9,605	3,045
4. Other expenses	15	1,672,669	1,668,286
<b>Total expenses (1 - 4)</b>		<b>2,399,592</b>	<b>2,555,434</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		3,320,302	6,167,691
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		3,320,302	6,167,691
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		3,320,302	6,167,691
X. Tax expense:			
(1) Current tax		800,000	1,500,000
(2) Tax Expenses of Previous Year		-880,600	5,494
(3) Deferred tax		33,247	46,526
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		3,367,655	4,615,671
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		0.03	0.05
(2) Diluted		0.03	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

**For Sunil Soni & Co.**

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

Chartered Accountants

FRN : 129161W

Sunil Soni

Proprietor

M.No. 123634

Place : Mumbai

Date : 28/05/2019

Director

Manoj Kumar Agarwal

DIN: 01767926

CFO

Seema Mittal

Director

Rakesh Chand Agarwal

DIN: 03539915

Company Secretary

Siddharth Dwivedi

SULABH ENGINEERS & SERVICES LIMITED		
Cash Flow Statement for the year ended March 31, 2019		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>A) Cash flow from operating activities</b>		
Net Profit before tax	3,320,302	6,167,691
<b>Adjustments for:</b>		
Depreciation and amortisation	31,360	83,103
Operating profit / (loss) before working capital changes	<b>3,351,662</b>	<b>6,250,794</b>
<b>Changes in working capital:</b>		
Decrease/(increase) in long-term loans & advances	2,184,676	24,275,530
Decrease/(increase) in short-term loans & advances	885,075	570,123
Decrease/(increase) in Other non-current assets	-	8,800
Increase/(decrease) in Other current liabilities	-409,574	215,200
Increase/(decrease) in long-term provisions	-	-
Increase/(decrease) in Short-term provisions	-1,508,739	-258,623
Cash generated from operations	<b>4,503,100</b>	<b>31,061,824</b>
Net income tax (paid) / refunds	80,600	-1,505,494
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>4,583,700</b>	<b>29,556,330</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/sale of fixed assets, including capital wip	100,168	-32,100,610
Purchase of non-current investments	-3,864,764	5,975,418
<b>Net cash flow from / (used in) investing activities (C)</b>	<b>-3,764,596</b>	<b>-26,125,192</b>
<b>D) Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	819,105	3,431,138
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>4,723,441</b>	<b>1,292,303</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>5,542,546</b>	<b>4,723,441</b>
<b>Components of Cash &amp; Cash Equivalents (As per Note : 10 )</b>		
Cash on Hand	253,836	453,836
Balance with Banks		
- In Current Accounts	5,288,710	4,269,605
- In Deposit Accounts	Nil	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>5,542,546</b>	<b>4,723,441</b>
As per our report of even date		
<b>For Sunil Soni &amp; Co.</b>	<b>For and on behalf of the Board</b>	
Chartered Accountants		
FRN : 129161W		
Sunil Soni	Manoj Kumar Agarwal	Rakesh Chand Agarwal
Proprietor	Director	Director
M.No. 123634	DIN: 01767926	DIN: 03539915
Place : Mumbai	CFO	Company Secretary
Date : 28/05/2019	Seema Mittal	Siddharth Dwivedi



SULABH ENGINEERS & SERVICES LIMITED

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>a) <b>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>c) <b>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>d) <b>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>e) <b>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>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>
g)	<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>
h)	<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 to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
i)	<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>
j)	<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 notifications issued by Reserve Bank of India in this regard.</p>
k)	<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		As at	
	March 31, 2019		March 31, 2018	
<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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Ruchi Agarwal	5,816,000	5.79%	5,816,000	5.79%
Sandhya Agarwal	5,375,000	5.35%	5,375,000	5.35%
<b>Number of shares at the end</b>	<b>11,191,000</b>	<b>11.14%</b>	<b>11,191,000</b>	<b>11.14%</b>
Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
<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		5,330,023		4,406,889
Add: Transfer during the year		673,531		923,134
Closing Balance		6,003,554		5,330,023
<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		24,939,365		21,246,828
Add: Net Profit for the Year		3,367,655		4,615,671
Less: Transfer to Reserve u/s 45-IC of RBI Act, 1934 (Being 20% of profits after tax for the period)		673,531		923,134
Closing Balance		27,633,489		24,939,365
<b>Total</b>		<b>134,038,287</b>		<b>130,670,632</b>

SULABH ENGINEERS & SERVICES LIMITED

Particulars	As at 3/31/2019	As at 3/31/2018
<b>Note 4 Other current liabilities</b>		
Other payables		
(i) Statutory remittances		
TDS payables	16,500	254,679
(ii) Other Payables	209,700	381,095
	<b>226,200</b>	<b>635,774</b>
<b>Note 5 Short Term Provisions</b>		
Provision for Tax	-	1,500,000
Provision for Standard Assets	530,102	538,841
	<b>530,102</b>	<b>2,038,841</b>
<b>Note 7 Non-current Investments</b>		
<b>Long term Investments - Non Trade</b>		
<b>In Fully paid up equity shares -Unquoted</b>		
- In Subsidiaries		
Rodic Coffee Estates Private Limited (25,50,000 Eq. Shares, Previous Year - 25,50,000 Eq. Shares )	25,500,000	25,500,000
<b>In Mutual Funds -</b>	<b>C.Y. (Qty.)</b>	<b>P.Y. (Qty.)</b>
L & T FMP Series XIV Scheme A - Regular Growth	500000	500000
Reliance Fixed Horizon Fund - XXXII series 4	500000	500000
IIFL Wealth Management Ltd (ICICI Venture Fund)	0	0
IIFL Real Estate Discretionary PMS (AMC)	0	0
IIFL Focussed Equity Strategies Fund (Capmetrics)	0	0
IIFL Focussed Equity Strategies Fund (IIFL AMC)	0	0
IIFL Focussed Equity Strategies Fund (Trivantage)	0	0
Kotak Balanced Advantage Fund - Regular Growth	350000	0
Union Bank of India	0	0
<b>In Gold Coins</b>		
	570,650	570,650
	<b>55,269,345</b>	<b>51,404,581</b>
Aggregate market value of unquoted investments	<b>58,025,990</b>	<b>53,591,245</b>
<b>Note 8 Long-term loans and advances</b>		
Loans & Advances towards financing activities -Unsecured	132,525,449	134,710,125
Advance for capital assets	9,056,160	9,056,160
	<b>141,581,609</b>	<b>143,766,285</b>
<b>Note 9 Cash and cash equivalents</b>		
Cash on hand	253,836	453,836
<u>Balance with Scheduled Bank</u>		
In Current Accounts	5,288,710	4,269,605
In Fixed Deposits	Nil	Nil
	<b>5,542,546</b>	<b>4,723,441</b>
<b>Note 10 Short-term loans and advances</b>		
Balances with Government Authorities		
Advance tax & TDS	459,029	1,252,285
Security Deposit	150,000	150,000
Other loans and advances		
Advance to staff	-	600
Advance to Suppliers / Others	-	91,219
	<b>609,029</b>	<b>1,494,104</b>

SULABH ENGINEERS & SERVICES LIMITED

Note 6 Fixed assets Schedule

(Amount-Rs)

Assets	Gross block			Accumulated depreciation and impairment				Net Block	
	Opening Balance as at April 1, 2018	Additions/ Adjustment/ Deletions	Closing Balance as at March 31, 2019	Opening Balance as at April 1, 2018	Depreciation/ amortisation for the year	Deletions	Closing Balance as at March 31, 2019	Closing Balance as at March 31, 2019	As at March 31, 2018
<b>Tangible Assets-Owned</b>									
Land	32,091,360	-	32,091,360	-	-	-	-	32,091,360	32,091,360
Motor Cars	1,005,539	-1,005,539	-	892,545	12,825	-905,370	-	-	112,994
Motor Cycles	102,373	-	102,373	76,417	6,954	-	83,371	19,002	25,956
Furniture	13,500	-	13,500	8,512	1,291	-	9,803	3,697	4,988
Computers	201,842	-	201,842	185,741	4,160	-	189,901	11,941	16,101
A.C.	37,354	-	37,354	23,752	6,130	-	29,882	7,472	13,602
<b>TOTAL</b>	<b>33,451,968</b>	<b>(1,005,539)</b>	<b>32,446,429</b>	<b>1,186,967</b>	<b>31,360</b>	<b>(905,370)</b>	<b>312,957</b>	<b>32,133,472</b>	<b>32,265,001</b>
Previous Year	<b>1,351,358</b>	<b>32,100,610</b>	<b>33,451,968</b>	<b>1,103,864</b>	<b>83,103</b>	<b>-</b>	<b>1,186,967</b>	<b>32,265,001</b>	<b>247,494</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, 2019	March 31, 2018
<b>Note 11 Revenue from operations</b>		
Interest on loans & advances under financing activities	4,842,410	6,534,410
Profit on sale of Investments	93,972	240,057
Interest on Debentures	541,713	1,633,009
Dividend on Mutual Funds	6,967	315,649
Excess provision for standard assets written back	-	-
<b>Total Revenue from operations</b>	<b>5,485,062</b>	<b>8,723,125</b>
<b>Note 12 Other income</b>		
Others (Excess provision written back)	170,000	-
Profit on Sale of Car	64,832	-
<b>Total Revenue from operations</b>	<b>234,832</b>	<b>-</b>
<b>Note 13 Employee benefits expense</b>		
Salaries and wages	505,958	621,000
Directors' Remuneration	180,000	180,000
<b>Total</b>	<b>685,958</b>	<b>801,000</b>
<b>Note 14 Finance Cost</b>		
Interest	8,647	643
Bank Charges	958	2,402
<b>Total</b>	<b>9,605</b>	<b>3,045</b>
<b>Note 15 Other expenses</b>		
Advertisement	164,933	161,169
Annual Fees - Stock Exchange	295,000	287,500
Communication Expenses	18,384	28,363
CDSL N NSDL	55,180	126,500
Filing Fee	6,300	6,700
Insurance	14,059	8,800
Legal and professional Charges	422,051	392,310
Miscellaneous expenses	247,299	20,902
Payments to auditors		
<i>Audit Fees</i>	29,500	25,000
<i>Certification Charges</i>	-	-
<i>Others</i>	4,500	-
Postage & Telegram	1,500	17,292
Printing and stationery	20,231	31,160
Provision for Standard Assets	-8,739	141,377
Repairs & Maintenance	10,383	6,000
Rent	384,000	379,000
Travelling and conveyance	8,088	36,213
<b>Total</b>	<b>1,672,669</b>	<b>1,668,286</b>
<b>Note 16 Contingent liabilities</b>	Nil	Nil
<b>Note 17 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, 2019	For the year ended March 31, 2018
<b>Note 18 Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Liability on account of difference in</b>		
Depreciation as per tax books and financial books	133,588	166,835
<b>Note 19 Expenditure in foreign currency</b>	Nil	Nil
<b>Note 20 Earnings in foreign exchange</b>	Nil	Nil
<b>Note 21 Employee benefits</b>	Nil	Nil

**Note 22 Related party transactions Note: Related parties have been identified by the Management.**

Description of relationship	Names of related parties
<b>Key Management Personnel (KMP)</b>	Manoj Kumar Agarwal - WTD & Chairman Seema Mittal - Director, CFO Siddharth Dwevedi- Company Secretary
<b>Subsidiary Company</b>	Rodic Coffee Estates P Ltd

**Details of related party transactions during the year and balances outstanding:**

Particulars	For the year ended	For the year ended
<b>Directors' Remuneration</b>		
Seema Mittal	180,000	180,000
<b>Interest Income</b>		
Rodic Coffee Estates Private Limited	2,298,812	1,016,832
<b>Loans &amp; Advance</b>		
Rodic Coffee Estates Private Limited	65,009,081	108,740,150
<b>Repayment received Loans &amp; Advance</b>		
Rodic Coffee Estates Private Limited	43,731,069	3,100,000

**Note 23 Previous year's figures**

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

**For Sunil Soni & Co.**

Chartered Accountants

FRN : 129161W

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

Sunil Soni  
Proprietor  
M.No. 123634

Manoj Kumar Agarwal  
Director  
DIN: 01767926

Rakesh Chand Agarwal  
Director  
DIN: 03539915

Place : Mumbai  
Date : 28/05/2019

CFO  
Seema Mittal

Company Secretary  
Siddharth Dwivedi



**SULABH ENGINEERS & SERVICES LIMITED**

**Schedule to the Balance Sheet**

As required in terms of paragraph 13 of Non-Banking financial (Non deposit Accepting or holding Companies Prudential Norms (Reserve bank) Directions,2007

<b>Liabilities Side</b>		<b>Rs. In Lakhs</b>	
<b>1</b>	<b>Loan and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:</b>	<b>Amount outstanding</b>	<b>Amount Overdue</b>
(a)	Debtenture :Secured	Nil	Nil
	:Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	Nil	Nil
(c)	Terms Loans	Nil	Nil
(d)	Inter-corporate loans and borrowing	Nil	Nil
(e)	Commercial Paper	Nil	Nil
	* Please see Note 1 below		
<b>Asset Side</b>			
<b>2</b>	<b>Break up of Loans and advances including bills receivables (other than those including in (4) below :</b>		
(a)	Secured	Nil	Nil
(b)	Unsecured	1,325.25	
<b>3</b>	<b>Break up of leased Assets and Stock on hire and other assets counting towards AFC activities</b>		
(i)	Leased assets including lease rentals under sundry debtors:		
(a)	Financial lease	Nil	Nil
(b)	Operating lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors :		
(a)	Assets on hire	Nil	Nil
(b)	Repossessed Assets	Nil	Nil
(iii)	Others loans counting towards AFC activities		
(a)	Loans where assets have been repossessed	Nil	Nil
(b)	Loans other than (a) above	Nil	Nil
<b>4</b>	<b>Breakup of Investments :</b>		
<b>1.Quoted:</b>			
(i)	Shares:(a) Equity	Nil	Nil
	(b) Preferences	Nil	Nil
(ii)	Debenture and Bonds	Nil	Nil
(iii)	Units of mutual funds	Nil	Nil
(iv)	Government Securities	Nil	Nil
(v)	Others (Gold)	Nil	Nil
<b>2.Unquoted:</b>			
(i)	Shares : (a) Equity	Nil	Nil
	(b) Preferences	Nil	Nil
(ii)	Debenture and Bonds	Nil	Nil
(iii)	Units of mutual funds	Nil	Nil
(iv)	Government Securities	Nil	Nil
(v)	Others	Nil	Nil
<b>Long Term Investments :</b>			
<b>1.Quoted:</b>			
(i)	Shares:(a) Equity	Nil	Nil
	(b) Preferences	Nil	Nil
(ii)	Debenture and Bonds	Nil	Nil
(iii)	Units of mutual funds	Nil	Nil
(iv)	Government Securities	Nil	Nil
(v)	Others(warrant)	Nil	Nil
<b>2.Unquoted:</b>			
(i)	Shares : (a) Equity	255.00	Nil
	(b) Preferences	Nil	Nil
(ii)	Debenture and Bonds	Nil	Nil
(iii)	Units of mutual funds	291.99	Nil

(iv) Government Securities		Nil	Nil
(v) Others(Gold)		5.7	Nil
<b>5 Borrower group-wise classification of Assets financed as in (2) and (3) above :</b>			
Please see note 2 below			
	<b>Amount net of provisions</b>		
<b>Category</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
1.Related Party			
(a) Subsidiaries	Nil	650.09	650.09
(b) Companies in the same group	Nil	Nil	Nil
(c.) Other related parties	Nil	Nil	Nil
2.Other than related parties	Nil	675.16	675.16
	<b>Total</b>	<b>Nil</b>	<b>1,325.25</b>
<b>6 Investor Group-wise classification of all invesments (current and long term) in shares and securities (both quoted and unquoted)</b>			
Please see note 3 below			
<b>Category</b>		<b>Market value / Break up or fair value or NAV</b>	<b>Book Value (net of provisions)</b>
1.Related Party			
(a) Subsidiaries		255.00	255.00
(b) Companies in the same group		Nil	Nil
© Other related parties		Nil	Nil
2.Other than related parties		319.55	291.99
	<b>Total</b>	<b>574.55</b>	<b>546.99</b>
*Market rate is not available hence cost has been taken.			
**As per Accounting Standards of ICAI(Pleas see Note 3)			
<b>7 Other Information</b>			
<b>Particulars</b>			<b>Amount</b>
(i) Gross Non-Performing Assets			
(a) Related Parties			Nil
(b) Other Than related parties			Nil
(ii) Net Non-Performing Assets			
(a) Related Parties			Nil
(b) Other Than related parties			Nil
(iii) Assets acquired in satisfaction of debt			Nil
<b>NOTES:</b>			
1 As defind in paragraph 2(1) (xii) of the Non- Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.			
2 All Accounting Standards and guidance Notes issued by ICAI are applicable including for valuation of investment and other assets as also assets required in satisfaction of debt .Howewwe , market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted invbesments should be disclosed irrespective of whether they are classified as long term or current in(4) above.			
<b>As per our report of even date</b>			
<b>For Sunil Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 129161W			
Sunil Soni	Manoj Kumar Agarwal	Rakesh C Agarwal	
Proprietor	Director	Director	
M.No. 123634	DIN: 01767926	DIN: 03539915	
Place : Mumbai	CFO	Company Secretary	
Date : 28/05/2019	Seema Mittal	Siddharth Dwivedi	



<b>Capital Funds - Tier I</b>		<i>(Rs. In crore)</i>
1	Paid up Equity Capital	10.05
2	Pref. shares to be compulsorily converted into equity	
	Free Reserves:	
	a. General Reserve	0.24
	b. Share Premium	9.80
3	c. Capital Reserves	
	d. Debenture Redemption Reserve	
	e. Capital Redemption Reserve	
	f. Credit Balance in P&L Account	2.76
	g. Other free reserves (may be specified)	
4	Special Reserves	0.60
	Total of 1 to 4	<b>23.45</b>
5	<b>Less:</b> i. Accumulated balance of loss	
	ii. Deferred Revenue Expenditure	0.01
	ii. Deferred Tax Assets (Net)	
	iii. Other intangible Assets	
	<b>Owned Fund</b>	<b>23.44</b>
6	Investment in shares of	
	(i) Companies in the same group	
	(ii) Subsidiaries	2.55
	(iii) Wholly Owned Subsidiaries	
	(iv) Other NBFCs	
7	Book value of debentures, bonds outstanding loans and advances, bills purchased and discounted(including H.P. and lease finance) made to, and deposits with	
	(i) Companies in the same group	
	(ii) Subsidiaries	6.50
	(iii) Wholly Owned Subsidiaries/Joint Ventures Abroad	
8	Total of 6 and 7	<b>9.05</b>
9	Amount in item 8 in excess of 10% of Owned Fund	6.71
10	<b>Net Owned Fund</b>	<b>16.73</b>



## **SUNIL SONI & CO.**

Chartered Accountant

# 11B/4,Indians Airlines Colony, Kalina Santacruz(East), Mumbai – 400029, India.

Phone: 91-22-26655910/Cell: 9702512000, 9869021550.

mail: sunil.kumar.soni.ca@icai.org

### **Independent Auditor’s Report**

To the Members of

### **SULABH ENGINEERS & SERVICES LIMITED**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **SULABH ENGINEERS & SERVICES LIMITED (“the Company”)**, which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India are responsible for the matters stated in section 134(5) of 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. 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **The Board of Directors are also responsible for overseeing The Holding Company's financial reporting process.**

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Holding Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**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 purposes of our audit
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it 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 relevant books of account.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors is disqualified as on 31st March, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of The Holding Company's internal financial controls over financial reporting.
- 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 which were required to be transferred to the Investor Education and Protection Fund by the Group.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Sunil Soni & Co.**  
**Chartered Accountants**  
**(Firm Registration No.:129161W)**

**Sunil Soni**  
**Proprietor**  
**Membership No.:123634**

Place : MUMBAI  
Date : 28/05/2019

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

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of even date)

- 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 Order 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 Order 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, 2019 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.
- viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

- 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is a Non-banking Financial Company (NBFC) registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Sunil Soni & Co.**  
**Chartered Accountants**  
**(Firm RegistrationNo.:129161W)**

**Sunil Soni**  
**Proprietor**  
**Membership No.:123634**

Place : MUMBAI  
Date : 28/05/2019

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

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of even date)

### **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, 2019 in the conjunction with our audit of consolidated financial statements of the company for the year ended on that date.

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

The Holding 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 Holding 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 Holding 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 Holding 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 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 2019, 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 Sunil Soni & Co.**  
**Chartered Accountants**  
**(Firm Registration No.:129161W)**

**Sunil Soni**  
**Proprietor**  
**Membership No.:123634**

**Place : MUMBAI**  
**Date : 28/05/2019**

<b>PART I - BALANCE SHEET</b>			
Name of the Company : <b>SULABH ENGINEERS &amp; SERVICES LIMITED</b>			
Consolidated Balance Sheet as at 31 March, 2019			(In Rupees)
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<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	171,911,618	158,097,401
(c) Minority Interest		60,888,101	50,851,208
		333,274,719	309,423,609
<b>(2) Non-Current Liability</b>			
(a) Long Term Borrowing	4	33,800,000	33,100,464
<b>(3) Current liabilities</b>			
(a) Short Term Borrowings	5	-	-
(b) Other current liabilities	6	701,805	1,222,923
(c) Short Term Provisions	7	530,102	2,038,841
		1,231,907	3,261,764
<b>TOTAL</b>		<b>368,306,626</b>	<b>345,785,837</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	229,003,808	229,174,043
(b) Non-current Investments	9	29,769,345	25,904,581
(c) Long-term loans and advances	10	76,577,528	35,031,135
(d) Deferred Tax Assets (Net)		113,368	154,171
		335,464,049	290,263,930
<b>(2) Current assets</b>			
(a) Inventories	11	652,000	36,662,360
(a) Trade Receivables	12	24,527,846	9,440,680
(a) Cash and cash equivalents	13	7,298,092	8,011,803
(b) Short-term loans and advances	14	364,639	1,407,064
(c) Other current assets	15	-	-
		32,842,577	55,521,907
<b>TOTAL</b>		<b>368,306,626</b>	<b>345,785,837</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			
For Sunil Soni & Co.		For and on behalf of the Board of Directors	
Chartered Accountants			
FRN : 129161W			
Sunil Soni	Manoj Kumar Agarwal	Rakesh Chand Agarwal	
Proprietor	Director	Director	
M.No. 123634	(DIN: 01767926)	(DIN:03539915)	
Place : Mumbai	CFO	Company Secretary	
Date : 28/05/2019	Seema Mittal	Siddharth Dwivedi	

<b>PART II - STATEMENT OF PROFIT AND LOSS</b>			
Name of the Company : SULABH ENGINEERS & SERVICES LIMITED			
Consolidated Statement of Profit & Loss for the year ended 31st March 2019		(In Rupees)	
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations (net)	16	78,553,692	48,439,597
II. Other Income	17	350,186	-
<b>III. Total revenue (I+II)</b>		<b>78,903,878</b>	<b>48,439,597</b>
IV. Expenses			
1. (increase)/decrease in Inventories of Finished Goods		36,010,360	2,035,784
2. Employee benefits expense	19	6,655,310	7,268,748
3. Depreciation and amortisation expense	8	570,066	609,757
4. Finance Cost	20	73,206	2,609,456
5. Other expenses	21	11,783,623	4,214,139
<b>Total expenses (1 - 5)</b>		<b>55,092,565</b>	<b>16,737,884</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		23,811,313	31,701,713
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		23,811,313	31,701,713
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		23,811,313	31,701,713
X. Tax expense:			
(1) Current tax		800,000	1,500,000
(2) Deferred tax		40,803	28,928
(3) Income Tax of Previous Year		(880,600)	5,494
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		23,851,110	30,167,291
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		0.24	0.30
(2) Diluted		0.24	0.30
Summary of Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			
As per our report of even date		For and on behalf of the Board of Directors	
For Sunil Soni & Co. Chartered Accountants FRN : 129161W			
Sunil Soni Proprietor M.No. 123634	Manoj Kumar Agarwal Director (DIN: 01767926)	Rakesh Chand Agarwal Director (DIN:03539915)	
Place : Mumbai Date : 28/05/2019	CFO Seema Mittal	Company Secretary Siddharth Dwivedi	

<b>SULABH ENGINEERS &amp; SERVICES LIMITED</b>		
<b>Cash Flow Statement for the year ended March 31, 2019</b>		
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>A) Cash flow from operating activities</b>		
Net Profit before tax	23,811,313	31,701,713
<b>Adjustments for:</b>		
Depreciation and amortisation	570,066	609,757
Operating profit / (loss) before working capital changes	<b>24,381,379</b>	<b>32,311,470</b>
<b>Changes in working capital:</b>		
Decrease/(increase) in inventories	36,010,360	2,035,784
Decrease/(increase) in Trade Receivables	-15,087,166	-2,035,421
Decrease/(increase) in long-term loans & advances	-41,546,393	53,015,680
Decrease/(increase) in short-term loans & advances	1,042,425	657,163
Decrease/(increase) in Other Current Assets	-	12,081
Increase/(decrease) in Other Current Liabilities	-521,118	-1,048,715
Increase/(decrease) in Short-term provisions	-1,508,739	-258,623
Cash generated from operations	<b>2,770,748</b>	<b>84,689,419</b>
Net income tax (paid) / refunds	80,600	-1,505,494
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>2,851,348</b>	<b>83,183,925</b>
<b>B) Cash flow from financing activities</b>		
Changes in Short term Borrowings	-	-
Changes in Long term Borrowings	699,536	-53,977,832
<b>Net cash flow from / (used in) financing activities (B)</b>	<b>699,536</b>	<b>-53,977,832</b>
<b>C) Cash flow from investing activities</b>		
Purchase of fixed assets, including capital wip	-399,832	-32,100,610
Purchase of non-current investments	-3,864,764	5,975,418
<b>Net cash flow from / (used in) investing activities (C)</b>	<b>-4,264,596</b>	<b>-26,125,192</b>
<b>D) Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>-713,712</b>	<b>3,080,902</b>
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>8,011,803</b>	<b>4,930,901</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>7,298,092</b>	<b>8,011,803</b>
<b>Components of Cash &amp; Cash Equivalents (As per Note : 10 )</b>		
Cash on Hand	1,059,759	1,149,444
Balance with Banks		
- In Current Accounts	6,238,333	6,862,359
- In Deposit Accounts	-	-
<b>Total Cash &amp; Cash Equivalents</b>	<b>7,298,092</b>	<b>8,011,803</b>
As per our report of even date		
For Sunil Soni & Co.		
Chartered Accountants		
FRN : 129161W		
		<b>For and on behalf of the Board</b>
Sunil Soni	Manoj Kumar Agarwal	Rakesh Chand Agarwal
Proprietor	Director	Director
M.No. 123634	(DIN: 01767926)	(DIN:03539915)
Place : Mumbai	CFO	Company Secretary
Date : 28/05/2019	Seema Mittal	Siddharth Dwivedi

**Name of the Company : SULABH ENGINEERS & SERVICES LIMITED**

**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>

**Name of the Company : SULABH ENGINEERS & SERVICES LIMITED****Significant Accounting Policies and Notes on Accounts**

<b>Note</b>	<b>Particulars</b>
<b>f)</b>	<b>Valuation of Inventories</b> Lower of cost and net realisable value.
<b>g)</b>	<b>Segment reporting</b> The Company considers business segments as its primary segment. The Company's operations are predominantly relate to lending & 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.
<b>h)</b>	<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.
<b>i)</b>	<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 to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.
<b>j)</b>	<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.



**Name of the Company : SULABH ENGINEERS & SERVICES LIMITED****Significant Accounting Policies and Notes on Accounts**

Note	Particulars
	<p><b>Treatment of exchange differences</b></p> <p>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 translation difference account" net of the tax effect thereon.</p>
k)	<p><b>Employee benefits</b></p> <p>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.</p> <p>Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation.</p>
l)	<p><b>Government grants and subsidies</b></p> <p>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>
m)	<p><b>Provisions and contingencies</b></p> <p>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>
n)	<p><b>Provisioning/ write-off of assets</b></p> <p>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.</p> <p>Provision on standard assets is made as per management estimates and is as specified in the notifications issued by Reserve Bank of India in this regard.</p>
o)	<p><b>Investments</b></p> <p>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>

p) Accounting Standard 21 was followed for preparation of Consolidated Financials

Name of the Company : SULABH ENGINEERS & SERVICES LIMITED  
Notes to Consolidated Financial Statements

Note 2 Share capital		
Particulars	As at March 31, 2019	As at March 31, 2018
<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
<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, 2019		As at March 31, 2018	
	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, 2019		As at March 31, 2018	
	No. of Shares	% held	No. of Shares	% held
Ruchi Agarwal	5,816,000	5.79%	5,816,000	5.79%
Sandhya Agarwal	5,375,000	5.35%	5,375,000	5.35%
<b>Number of shares at the end</b>	<b>11,191,000</b>	<b>11.14%</b>	<b>11,191,000</b>	<b>11.14%</b>



Name of the Company : SULABH ENGINEERS & SERVICES LIMITED  
Notes to Consolidated Financial Statements

Particulars	As at March 31, 2019	As at March 31, 2018
<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	6,001,806	5,330,023
Add: Transfer during the year	923,134	671,783
Closing Balance	6,924,940	6,001,806
<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	51,694,351	34,719,137
Add: Opening MI	26,351,208	13,830,914
Add: Net Profit for the Year (including entire Profits of Subsidiary)	23,851,110	30,167,291
Less: Minority Interest	36,388,101	26,351,208
Less: Transfer to Reserve u/s 45-IC of RBI Act, 1934 (Being 20% of profits after tax for the period )	923,134	671,783
Closing Balance	64,585,434	51,694,351
<b>Total</b>	<b>171,911,618</b>	<b>158,097,401</b>
<b>Note 4 Long -Term Borrowings</b>		
<b>Unsecured</b>		
From Directors	33,800,000	31,800,000
From Shareholders	65,009,081	107,886,564
From Bodies Corporate	-	2,154,050
	98,809,081	141,840,614
Less: Inter Corporate Loan	65,009,081	108,740,150
	<b>33,800,000</b>	<b>33,100,464</b>
(Entire borrowings are unsecured)		
<b>Note 5 Short-Term Borrowings (Secured)</b>		
Bank Overdraft	-	-
(Secured against pledge of Fixed Deposits)	-	-
<b>Note 6 Other current liabilities</b>		
Current maturities of long-term borrowings	-	-
Employee Benefits Payable	341,030	90,940
Statutory Dues Payable	303,143	737,780
Less : Mutual Owning	(268,968)	(101,682)
Other Payables	326,600	495,885
	<b>701,805</b>	<b>1,222,923</b>
<b>Note 7 Short Term Provisions</b>		
Provision for Tax	-	1,500,000
Provision for Standard Assets	530,102	538,841
	<b>530,102</b>	<b>2,038,841</b>

Name of the Company : **SULABH ENGINEERS & SERVICES LIMITED**  
Notes to Consolidated Financial Statements

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Note 9 Non-current Investments</b>		
<b>Long term Investments - Non Trade</b>		
<b>In Fully paid up equity shares - Unquoted</b>		
<b>- In Subsidiaries</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: Equity Share capital in Subsidiary-Rodic Coffee	-25,500,000	-25,500,000
Less: Share in Pre-Acquisition Profit	-	-
	-	-
<b>In Mutual Funds -</b>	29,198,695	25,333,931
L & T FMP Series XIV Scheme A - Regular Growth	5,027,650	5,027,650
Reliance Fixed Horizon Fund - XXXII series 4	5,054,700	5,054,700
IIFL Wealth Management Ltd (ICICI Venture Fund)	1,552,752	3,345,422
IIFL Real Estate Discretionary PMS (AMC)	3,063,593	3,406,159
IIFL Focussed Equity Strategies Fund (Capmetrics)	5,000,000	3,750,000
IIFL Focussed Equity Strategies Fund (IIFL AMC)	3,000,000	2,250,000
IIFL Focussed Equity Strategies Fund (Trivantage)	2,000,000	1,500,000
Kotak Balanced Advantage Fund - Regular Growth	3,500,000	-
Union Bank of India	1,000,000	1,000,000
<b>In Gold Coins</b>	570,650	570,650
	<b>29,769,345</b>	<b>25,904,581</b>
Aggregate market value of unquoted investments	31,953,340	27,520,595
<b>Note 10 Long-term loans and advances</b>		
Loans & Advances towards financing activities -Unsecured	132,525,449	134,710,125
Less: <u>Mutual Owings</u>	65,009,081	108,740,150
	67,516,368	25,969,975
Advance for capital goods	9,056,160	9,056,160
Security Deposit	5,000	5,000
	<b>76,577,528</b>	<b>35,031,135</b>
<b>Note 11 Inventories</b>		
Finished Goods	652,000	36,662,360
	<b>652,000</b>	<b>36,662,360</b>
<b>Note 12 Trade Receivables</b>		
Unsecured considered good		
Over Six Months	-	-
Below Six Months	24,527,846	9,440,680
	<b>24,527,846</b>	<b>9,440,680</b>
<b>Note 13 Cash and cash equivalents</b>		
<u>Cash on hand</u>	1,059,759	1,149,444
<u>Balance with Scheduled Bank</u>		
In Current Accounts	6,238,333	6,862,359
In Fixed Deposits	-	-
<u>Other Bank Balances</u>		
Unpaid Dividend Account	-	-
Cheques in hand	-	-
	<b>7,298,092</b>	<b>8,011,803</b>
<b>Note 14 Short-term loans and advances</b>		
Balances with Government Authorities		
Advance tax & TDS	459,029	1,252,285
Less : Mutual Owning	(268,968)	(101,682)
Security Deposit	150,000	150,000
Other loans and advances		
Advance to staff	-	600
Advance to Suppliers / Others	21,428	101,822
Prepaid Insurance	3,150	4,039
	<b>364,639</b>	<b>1,407,064</b>
<b>Note 15 Other current assets</b>		
Prepaid Expenses	-	-
	-	-

Name of the Company : SULABH ENGINEERS & SERVICES LIMITED  
Notes to Consolidated Financial Statements

Note 8 Fixed assets

Assets	(Amount-Rs)				Accumulated depreciation and impairment			Net Block		
	Figures as at the beginning of current reporting period	Additions during the current reporting period	Sale/Adjustments during the year	Figures as at the end of current reporting period	Figures as at the beginning of current reporting period	Depreciation / amortisation expense during the current reporting period	Adjustment of Sale during the current reporting period	Figures as at the end of current reporting period	Figures as at the end of current reporting period	Figures as at the beginning of current reporting period
<b>Tangible Assets-Owned</b>										
Motor Cars	1,005,539	-	-1,005,539	-	892,545	12,825	-905,370	-	-	112,994
Motor Cycles	102,373	-	-	102,373	76,417	6,954	-	83,371	19,002	25,956
Land	224,864,075	-	-	224,864,075	-	-	-	-	224,864,075	224,864,075
Civil Structure	2,502,000	-	-	2,502,000	903,523	134,432	-	1,037,955	1,464,045	1,598,477
Building	1,917,000	-	-	1,917,000	795,450	91,182	-	886,632	1,030,368	1,121,550
Plant and Machinery	1,896,247	500,000	-	2,396,247	705,835	268,606	-	974,441	1,421,806	1,190,412
Furniture	111,500	-	-	111,500	78,469	6,232	-	84,701	26,799	33,031
Office Equipment	55,434	-	-	55,434	38,871	6,889	-	45,760	9,673	16,562
Vehicle	695,330	-	-	695,330	513,098	37,533	-	550,631	144,699	182,232
Computers	248,145	-	-	248,145	219,391	5,413	-	224,804	23,341	28,754
<b>TOTAL</b>	<b>233,397,643</b>	<b>500,000</b>	<b>(1,005,539)</b>	<b>232,892,104</b>	<b>4,223,599</b>	<b>570,066</b>	<b>-905,370</b>	<b>3,888,295</b>	<b>229,003,808</b>	<b>229,174,043</b>
<b>PY Figures</b>	<b>201,297,033</b>	<b>32,100,610</b>	<b>-</b>	<b>233,397,643</b>	<b>3,613,842</b>	<b>609,757</b>	<b>-</b>	<b>4,223,599</b>	<b>229,174,043</b>	<b>197,683,191</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.										

**Name of the Company : SULABH ENGINEERS & SERVICES LIMITED**  
**Notes to Consolidated Financial Statements**

Particulars	For the year ended		For the year ended	
	March	March	March	March
	31. 2019	31. 2018	31. 2018	31. 2018
<b>Note 16 Revenue from operations</b>				
Interest on loans & advances under financing activities	4,842,410	6,534,410		
Less : Mutual Owning	(2,691,685)	(1,016,832)		
Sale of Goods	75,760,315	40,733,304		
Interest on Debentures	541,713	1,633,009		
Dividend on Mutual Funds	6,967	315,649		
Profit on sale of Investments	93,972	240,057		
Excess provision for standard assets written back	-	-		
<b>Total Revenue from operations</b>	<b>78,553,692</b>	<b>48,439,597</b>		
<b>Note 17 Other income</b>				
Others	350,186	-		
<b>Total Revenue from operations</b>	<b>350,186</b>	<b>-</b>		
<b>Note 19 Employee benefits expense</b>				
Salaries and wages	6,285,619	6,908,355		
Contribution to provident and other funds	58,057	75,308		
Directors' Remuneration	180,000	180,000		
Staff Welfare	131,634	105,085		
<b>Total</b>	<b>6,655,310</b>	<b>7,268,748</b>		
<b>Note 20 Finance Cost</b>				
Interest	2,760,398	3,617,257		
Less : Mutual Owning	(2,691,685)	(1,016,832)		
Bank Charges	4,493	9,031		
<b>Total</b>	<b>73,206</b>	<b>2,609,456</b>		
<b>Note 21 Other expenses</b>				
Advertisement	164,933	161,169		
Annual Fees - Stock Exchange	295,000	287,500		
CDSL N NSDL	55,180	126,500		
Communication Expenses	26,344	38,548		
Commission Expenses	8,472,956	-		
Electricity Expenses	47,953	57,124		
Filing Fee	6,300	11,600		
Insurance	28,748	22,838		
Interest on TDS Late Deposit	477	-		
Late Fee on GST	-	1,440		
Legal and professional Charges	451,201	469,825		
Miscellaneous expenses	247,299	20,891		
Payment to Auditors				
<i>Audit Fees</i>	89,500	85,000		
<i>Certification Charges</i>	-	-		
<i>Others</i>	4,500	-		
Pesticides & Agro expenses	874,796	1,256,146		
Postage & Courier	2,237	17,766		
Printing & Stationary	26,954	38,665		
Provision for Standard Assets	-8,739	141,377		
Rent	384,000	379,000		
Repair & Maintenance	569,704	889,755		
Travelling and conveyance	44,280	208,995		
<b>Total</b>	<b>11,783,623</b>	<b>4,214,139</b>		

<b>Note 18 Contingent liabilities</b>	Nil	Nil
<b>Note 22 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

**Name of the Company : SULABH ENGINEERS & SERVICES LIMITED**

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	<b>Note 23 Deferred Tax Assets (Net)</b>			
<b>Deferred Tax Liability on account of difference in Depreciation as per tax books and financial books</b>		113,368		154,171
<b>Note 24 Expenditure in foreign currency</b>		Nil		Nil
<b>Note 25 Earnings in foreign exchange</b>		Nil		Nil
<b>Note 26 Employee benefits</b>		Nil		Nil

**Note 27 Related party transactions**

Description of relationship	Names of related parties
<b>Key Management Personnel (KMP)</b>	Manoj Kumar Agarwal - Whole Time Director Seema Mittal - CFO & Director Siddharth Dwevedi - Company Secretary
<b>Subsidiary Company</b>	Rodic Coffee Estates P Ltd

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year and balances outstanding:**

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	<b>Directors' Remuneration</b>			
Manoj Kumar Agarwal		-		-
Seema Mittal		180,000		180,000
<b>Loans &amp; Advance</b>				
Rodic Coffee Estates Private Limited		65,009,081		108,740,150
<b>Repayment received Loans &amp; Advance</b>				
Rodic Coffee Estates Private Limited		43,731,069		3,100,000

**Note 28 Previous year's figures**

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

For Sunil Soni & Co.

Chartered Accountants

FRN : 129161W

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

Sunil Soni Proprietor M.No. 123634 Place : Mumbai Date : 28/05/2019	Manoj Kumar Agarwal Director (DIN: 01767926)  CFO Seema Mittal	Rakesh Chand Agarwal Director (DIN:03539915)  Company Secretary Siddharth Dwivedi
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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting (AGM) of members of Sulabh Engineers and Services Limited will be held on Saturday, September 28, 2019, at 02:00 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, 2019 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.

### SPECIAL BUSINESS:

3. To regularize the appointment of Mr. Vijay Kumar Jain (DIN: 08208856) as a Director of the Company 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 Section 149, 150, 152, 160, 161 and any other applicable provisions (if any) of the Companies Act, 2013, and any rules made there under read with Schedule IV of the Companies Act, 2013, Mr. Vijay Kumar Jain (DIN: 08208856) who was appointed as an Additional Director of the Company in the Board Meeting held on May 28<sup>th</sup>, 2019 and who holds office up to the date of this Annual General Meeting and for whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Director of the Company for a term of five consecutive years commencing from September 28, 2019 or to the date of the 41th Annual General Meeting , whichever is earlier.

**“RESOLVED FURTHER THAT** any of the directors or Company Secretary of the Company be and are hereby responsible to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution.”

By the order of Board  
For Sulabh Engineers and Services Limited

Sd/-  
(Siddharth Dwivedi)  
Company Secretary

Date: 10 August 2019  
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 Saturday September 21, 2019 to Saturday, September 28, 2019 (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 36<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 36<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 36<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 36<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 Wednesday, September 25, 2019 at 09:00.a.m. and ends on Friday, September 27, 2019 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 21<sup>st</sup> September, 2019 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 21<sup>st</sup> September, 2019 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 25<sup>th</sup> September, 2019 (09.00 am) and ends on 27<sup>th</sup> September, 2019 (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 21<sup>st</sup> September, 2019 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 Wednesday, September 25, 2019 at 09:00.a.m. IST and ends on Friday September 27, 2019 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 i.e Saturday, September 21<sup>st</sup>, 2019, 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) Shareholders are advised to carry identity card for the purpose of participation on proposed AGM of the Company.
- (E) 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.
- (F) 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.
- (G) 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.

- (H) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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 as practicable as possible after the countersigning by the chairman.

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

**ITEM NO-3**

The Board of Directors of the Company had appointed Mr. Vijay Kumar Jain (DIN: 08208856) as an Additional Director(Non- Executive Independent) of the Company with effect from May 28<sup>th</sup>, 2019 pursuant to Section 161 of the Companies Act, 2013. He had to hold office up to the date of the ensuing Annual General Meeting.

The resolution seeks approval of the members for regularization of Mr. Vijay Kumar Jain as the Non-Executive Independent Director of the Company. In the opinion of the Board of Directors, Mr. Vijay Kumar Jain, who is proposed to be appointed, fulfills the condition specified in the Act and the Rules made there under accordingly Board of Directors recommend the passing of the Ordinary Resolution as set out in the notice.

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

**VIJAY KUMAR JAIN**

<b>NAME</b>	<b><u>Vijay Kumar Jain</u></b>
<b>DIN</b>	<b><u>08208856</u></b>
<b>FATHER'S NAME</b>	<b><u>MAHAVIR PRASAD JAIN</u></b>
<b>D.O.B</b>	<b><u>31/03/1961</u></b>
<b>ADDRESS</b>	<b><u>14/60, YOG TOWER, CIVIL LINES, KANPUR-Uttar Pradesh India 208001.</u></b>
<b>QUALIFICATION</b>	<b><u>Chartered Accountant</u></b>
<b>EXPERIENCE</b>	<b><u>20 Years in the field of Taxation &amp; Finance</u></b>
<b>OTHER DIRECTORSHIPS</b>	<b><u>Prabhat Securities Limited</u></b>
<b>SHAREHOLDING IN THE COMPANY</b>	<b><u>Nil</u></b>

By the order of Board  
For Sulabh Engineers and Services Limited  
Sd/-  
(Siddharth Dwivedi)  
Company Secretary  
Date: 10 August 2019  
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 Saturday, the 28<sup>th</sup> day of September 2019 at 02:00 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

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)

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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 36<sup>th</sup> Annual  
General Meeting of the Company, to be held on the Saturday, September 28, 2019 at 02.00 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 (standalone and consolidated) for the year ended March 31, 2019		
2.	Reappoint Mrs. Seema Mittal, (DIN: 06948908) Director who retires by rotation and being eligible offer herself for reappointment.		
<b>Special Business</b>			
3.	Regularization of Mr. Vijay Kumar Jain (DIN: 08208856) as an Independent Director of the Company		

Signed this ..... day of ..... 2019.

Signature of shareholder

Affix Re1/- Revenue Stamp Here
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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 up to 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

