

SULABH ENGINEERS & SERVICES
LIMITED

31st ANNUAL REPORT 2013-2014

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CHAIRMAN'S MESSAGE

Dear Shareholders,

I am extremely pleased to present the Annual Report for the financial year 2013-14. To start with I can say that this financial year has been a period of uncertainty. In the year of General elections the financial market consistency in policy matter was lagging. India is as obvious, facing a difficult economic situation on the growth, asset quality, inflation and fiscal deficit fronts. Growth is estimated to have bottomed, but recovery is predicated upon clarity of policy matters and decision making by the new and stable Government.

It may for the time being assumed that Inflation has peaked out, but other factors need to be adequately tackled. Monsoons will clearly be a prominent factor in FY 2014-15, given the various predictions of a below par monsoon. Lastly, on the fiscal deficit, which had been a cause of concern, targets have been some how met, but many constituents which are conspicuous continue to question the quality and means of this achievement.

The GDP for FY 2013-14 is estimated at 4.9%, largely in line with market expectations and expected to grow moderately in near future. We shall endeavor to match the pace of our economy by reorganizing ourselves and reducing costs. The Company also focused on skill development and technology updation which has responded reasonably well.

The year ahead seems to be challenging on the interest rate and credit policy, still Company is committed to maximize value of its business. Company has the confidence that it will get the support and patronage of stakeholder which would enable us to achieve highly satisfactory results and significant value for our stakeholders.

With regards,

Yours sincerely,

-Sd-

(Manoj Kumar Agarwal)

Whole time Director

BOARD OF DIRECTORS

Mr. Manoj Kumar Agarwal	Whole Time Director
Mr. Niranjan Swaroop Goel	CFO cum Director
Mr. Santosh Kumar Agarwal	Non Executive Director
Mr. Guljhari Lal Sharma	Non Executive Director
C.A. Rajiv Agarwal	Independent Director
Mr. Rakesh Chand Agarwal	Independent Director
C.A. Umesh Chand Khandelwal	Independent Director
C.A. Vivek Khanna	Independent Director

AUDITOR

Satish Soni & Co.
Chartered Accountants
15/1, 2nd Floor, Metro House
Colaba, Mumbai-401101
Ph: 022- 32903287

BANKER

Bank of India
Union Bank of India

REGISTERED OFFICE

Office No.206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg office, Parsi Panchayat Road, Andheri (East), Mumbai-400069

CORPORATE OFFICE

17/11, The Mall, Kanpur 208001

COMPLIANCE OFFICER

CS Diwaker Dubey

REGISTRAR AND SHARE TRANSFER AGENT

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

E-MAIL I.D. & CONTACT NO. FOR INVESTORS

E- Mail ID: sulabheng22@gmail.com, sulabhinvestorcell@gmail.com
Contact No. : Registered Office: Tele No- 022-27654092 Fax No. - 022- 27658405
Corp Office: Tele No- 0512-2311226, 2319705 Fax No- 0512- 2363774
WEBSITE: www.sulabh.org.in

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC CONDITION

The Global growth remained almost unchanged in FY 2013-14. However a sustained revival is being witnessed. Global GDP growth was estimated at 3% in 2013 vis-à-vis 3.1% in 2012. The year under review was marked by a variance in growth and financial market conditions. G.D.P Growth of INDIA has slackened in 2013-14. The Reserve Bank of India reduced policy rates by 100 bps in FY 2012-13 and 25 bps in May 2013. Before its June 2013 policy review, following risks of external sectoral instability, The RBI undertook several policy measures to restore stability. In consultation with the Central Government, gold imports were restricted. Industrial growth continued to remain sluggish in FY'13-14. It registered a growth of -0.1% during April-February period in FY 2013-14 compared to a 0.9% growth in the same period of FY 2012-13. There had been some positive signals also on other economic fronts. Stability in the rupee encouraged the RBI to start normalizing its monetary policy.

Economic growth may improve in the financial year 2014-15 on the back of reform measures announced by the new Government. The business environment has also been largely improved.

BUSINESS OVERVIEW

The potential of Indian financial Market remain unchallenged. Company tried to benefit and grow from the opportunities in the financial services .It offered client specific products in a timely manner by understanding customer businesses, market conditions and industry developments. The company approached with distinctive attitude to develop mutually beneficial relationships with its clients.

PERFORMANCE

The performance of Company for the financial year 2013-14 has been satisfactory. Company earned a profit of Rs. 3677368/- which is a bit less when compared with the last financial year's profit of Rs. 4289527/-. However the performance in future is expected to be bright as company is striving for diversification and better result.

OUTLOOK

Looking to the future, it is generally viewed that the prospects for the financial services sector is positive. NBFC, in particular, is seen as having a bright outlook if it continues to act strategically. Driven by capital deployment and demands for improved return we can compete and win. Company is seeing some renewed interest in technological innovation as well. Through experienced professionals your company offers a competitive financial products and services. The Company will need to drive increased agility in dealing with clients in creating a thorough awareness about the risks they face with respect to Capital Investments. The Company is preparing to take advantage of the ongoing uncertainty in the market which has a lot of potentials for financial services.

RISK AND CONCERNS

Risk Management is an integral part of the Company's business strategy. The Risk Management oversight structure includes Committees of the Board and Senior Management Committees. Senior Management representatives, review matters relating to fraud risk, including corrective and remedial actions as regard to people and processes. There is a system to assess internal environment and to implement adequate risk management measures. The appraisal system across the board provides efficient monitoring tool to pre-sense the risk and act swiftly. There is no case of any fraud reported to the Company Management. Role based training is also provided to enhance the risk awareness.

INTERNAL CONTROL SYSTEM

The Company's internal control system takes care of overall management of financial risk and internal control system and is developed for conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process. Internal Audit Reports are discussed with the Management and are reviewed by the Audit Committee of the Board which also reviews the adequacy and effectiveness of the internal controls in the Company. Key issues are specifically brought to the notice of the management. The Company ensures strict compliance of applicable laws and regulation for financial transactions.

HUMAN RESOURCE CAPITAL

In our Company employees form the core of organization. Company deals them as valuable asset. It employs best talent, nurtures them and recognizes their effort in the success of company. Company has a proper training structure for the new entrants. There has not been even a single issue with regard to any matter of employment which shows our commitment towards good employer and employee relation.

DISCLAIMER

The projections made are based on various assumptions and expectations of future events. These statements are subject to certain risks and uncertainties and the accuracy of realization of these assumptions and expectations can not be guaranteed. As the Company's operations are affected by many external and internal factors, which are beyond the control of the management hence actual results may be different from those expressed or implied. Company is not under any obligation to amend, modify or revise any statement in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance as laid down under the applicable Clause 49 of the Listing Agreements with the Stock Exchanges.

1. **BOARD OF DIRECTORS**

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

SL NO.	NAME	DESIGNATION
1.	Mr. Manoj Kumar Agarwal	Executive Director/Promoter
2.	Mr. Santosh Kumar Agarwal	Non-Executive Director/Promoter
3.	Mr. Niranjan Swaroop Goel	Director and Chief Financial Officer
4.	C.A. Rajiv Agarwal	Independent Director
5.	Mr. Rakesh Chand Agarwal	Independent Director
6.	Guljhari Lal Sharma	Non-Executive Director
7.	C.A. Vivek Khanna	Independent Director
8.	C.A. Umesh Chand Khandelwal	Independent Director

NUMBER OF BOARD MEETINGS

During the year the Board met 08 times on 02/04/2013, 23/04/2013, 28/05/2013, 08/08/2013, 22/08/2013, 30/10/2013, 19/11/2013, 21/01/2014, 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 31st March, 2014 are as follows:

Name of Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Directorship	Other Committees
Mr. Manoj Kumar Agarwal	Executive Director/Promoter	08	08	No	02	shareholders /investors Grievance committee, Member Audit Committee Member
Mr. Niranjan Swaroop Goel	Executive Director	08	07	Yes	Nil	Remuneration Committee, Member, shareholders /investors Grievance committee, Member

Mr. Santosh Kumar Agarwal	Non-Executive Director/Promoter	08	03	NO	02	Remuneration Committee, Chairman
C.A. Rajiv Agarwal	Independent Director	08	08	Yes	Nil	Audit committee Chairman, Remuneration committee, Member
Mr. Rakesh Chand Agarwal	Independent Director	08	08	No	01	Audit committee Member shareholders/investors grievance committee, Chairman
Mr. Guljhari Lal Sharma*	Non-Executive Director	08	00	N/A	05	
CA Umesh ** Chand Khandelwal	Independent Director	08	01	N/A	01	
CA Vivek Khanna***	Independent Director	08	01	N/A	Nil	

* Appointed as additional Director on 22 August 2013 and as regular Director on 27 September 2013

** Appointed on 19 November 2013

*** Appointed on 19 November 2013

DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT

As per Section 161 of Companies Act 2013 corresponding to Section 255 read with Section 256 of the Companies Act, 1956 two third of the Directors should retire by rotation. One third of these Directors are required to retire every year and if eligible they can offer themselves for reappointment. Accordingly Shri Santosh Kumar Agarwal, Director, is liable to retire by rotation and offers himself for reappointment subject to approval of members in general meeting.

CA Vivek Khanna and CA Umesh Chand Khandelwal are Additional Directors and eligible for appointment as the regular directors of the Company.

2. COMMITTEE OF THE BOARD

The Company has constituted the committee as required under the Listing Agreement at its Board Meeting held on 23 April 2013.

AUDIT COMMITTEE

The Composition of Audit Committee is as mentioned herein below:

SI No.	Name	Designated position in the committee
1.	Rajiv Agarwal	Chairman
2.	Rakesh Chand Agarwal	Member
3.	Manoj Kumar Agarwal	Member

REMUNARATION COMMITTEE

The composition of remuneration committee is as follows:

SL No.	Name	Designated position in the committee
1.	Santosh Kumar Agarwal	Chairman
2.	Rajiv Agarwal	Member
3.	Niranjan Swaroop Goel	Member

SHAREHOLDER/INVESTOR'S GRIEVANCE COMMITTEE

The Composition of shareholder/investor's grievance committee is as follows:

SI No.	Name	Designated position in the committee
1.	Rakesh Chand Agarwal	Chairman
2.	Niranjan Swaroop Goel	Member
3.	Manoj Kumar Agarwal	Member

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

DETAILS OF REMUNERATION TO THE DIRECTORS

SL NO	Name and designation	Salary	Other Benefits	Total
1.	Mr. Manoj Kumar Agarwal Whole Time Director	Rs.3,60,000	00	Rs. 3,60,000
2.	Mr. Guljhari Lal Sharma Director	nil	nil	nil
3.	Mr. Santosh Kumar Agarwal Non-Executive Director	nil	nil	nil
4.	C.A. Rajiv Agarwal Independent Director	nil	nil	nil
5.	Mr. Rakesh Chand Agarwal Independent Director	nil	nil	nil
6.	Niranjan Swaroop Goel CFO cum Director	Rs.72000	00	Rs.72000
7.	CA Umesh Chand Khendelwal Director	nil	nil	nil
8.	CA Vivek Khanna Director	nil	nil	nil

3. **GENERAL BODY MEETING**

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

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2010-2011	30/09/2011	401 Oriental House, 229/231, Samuel Street, Mumbai-400003	11:00 A.M.
2011-2012	22/08/2012	B-32 APMC Market-1, Phase-II, Sector-19 Vashi, Navi Mumbai-400705	11:00 A.M.
2012-2013	27/09/2013	B-32 APMC Market-1, Phase-II, Sector-19 Vashi, Navi Mumbai-400705	11:00 A.M.

DETAILS OF SPECIAL RESOLUTION IN THE LAST THREE AGM

During this financial year 2011-12 the Company has passed a special resolution U/S 149 (2A) to undertake the new business which are mentioned in clause 75 and 84 of Memorandum of Association in the EGM held on 09/03/2012.

DETAILS OF SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT PROCESS

The Company has not passed any resolution through postal ballot process during the financial year 2013-14.

DISCLOSURES

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

4. **MEANS OF COMMUNICATATION**

The Company has timely published its quarterly results and other notices as required to be published in the newspapers. The information was also available on the website of the company.

5. **GENERAL SHARE HOLDER INFORMATION**

- I. Annual General Meeting : Date: 26/09/2014
Time: 11:30 AM
Venue: Office No.206, 2nd Floor, Apollo Complex
Premises Cooperative Society Ltd., R .K.
Singh Marg office, Parsi Panchayat
Road,Andheri (East),Mumbai-400069
- II. Financial Year : 01April 2013- 31March 2014

III. Date of book closure : 22/09/2014 to 26/09/2014

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: BSE Limited, Mumbai
U.P. Stock Exchange Limited, Kanpur

VI. Stock Code : BSE- 508969

VII. Marker Price : Month wise Market price is given below:

MONTH	LOW	HIGH	VOLUME
April 2013	59.50	73.85	5,12,811
May 2013	71.35	80.65	18,22,783
Jun 2013	72.55	90.15	5,60,957
Jul 2013	88.00	134.80	6,61,791
Aug 2013	101.65	137.00	7,30,634
Sep 2013	130.15	169.50	8,87,086
Oct 2013	160.00	218.05	5,40,810
Nov 2013	198.00	214.00	7,06,748
Dec 2013	203.05	214.00	11,75,466
Jan 2014	199.90	209.00	15,70,457
Feb 2014	200.00	210.00	17,80,032
Mar 2014	200.00	242.00	20,57,459

VIII. Registrar and Transfer Agent: M/S Skyline Financial Services Private Limited
D-153-A, 1st floor, Okhla Industrial Area,
Phase I, New Delhi- 110020

IX. 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.

X. Distribution of shareholding:

Shareholding pattern of the Company as on 31st March 2014

Category	No. of Shares	Percentage of Holding
Govt(Central & States)	0	00.00
Govt Companies	0	00.00
Public financial institution	0	00.00
Nationalized/Other Institutions/Bank	0	00.00
Mutual Funds	0	00.00
Venture Capital	0	00.00
Foreign Holding	0	00.00
Bodies Corporate	9861986	09.82
Directors/Relative	27043500	26.92
Others	63569514	63.26
TOTAL	100475000	100.00

Distribution of Shareholding:

CATEGORY		SHAREHOLDERS	
FROM	TO	NUMBER	PERCENTAGE
UP TO	500	116	13.83
501	1000	21	02.50
1001	2000	77	09.18
2001	3000	78	09.30
3001	4000	63	07.51
4001	5000	70	08.34
5001	10000	135	16.09
10001 &	ABOVE	279	33.25
TOTAL		839	100.00

XI Dematerialization of Shares and Liquidity:
99.99% of the shares of Company are in dematerialized form.

XII Address for correspondence:
17/11 The Mall, Kanpur 208001

XIII CEO Certification:
In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO have submitted necessary certificate to the Board at its meeting held on 28/05/2014 stating the particulars specified under the said clause.

6. CORPORATE SOCIAL RESPONSIBILITY

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting (AGM) of members of Sulabh Engineers Limited will be held on Friday, September 26, 2014, at 11:30 A.M. IST at the **Office No.206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg office, Parsi Panchayat Road,Andheri (East),Mumbai-400069** India, to transact the following business:

ORDINARY BUSINESS:

1. (A) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 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.
(B) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2014.
2. To reappoint Shri Santosh Kumar Agarwal, (DIN: 00392309) Director, who retires by rotation and being eligible, offers himself for re appointment.
3. To appoint M/S Satish Soni & Co., Chartered Accountants (M.N. 044391), as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of 34th Annual General Meeting for a period of three years subject to ratification at every Annual General Meeting and to authorize the Board of Directors to fix their remuneration for the financial year ending 2015 and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT**, pursuant to the provisions of Section 139 and rules made there under, M/s. Satish Soni & Co., Chartered Accountants, (Registration No. 044391), be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this meeting upto 34th Annual General Meeting for a period of three years subject to ratification at every Annual General Meeting of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors”.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and Clause 49 of the Listing agreement, any statutory modifications thereof for the time being in force,, Mr. Rajiv Agarwal (DIN :03445523), Director of the Company who retires by rotation at the Annual General Meeting, and in respect of whom the Company has received a Notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rajiv Agarwal (DIN :03445523) as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and Clause 49 of the Listing Agreement, any statutory modifications thereof for the time being in force, Mr. Rakesh Chand Agarwal (DIN:03539915) a non-executive Director, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rakesh Chand Agarwal (DIN:03539915) a non-executive Director as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014, Schedule IV (Code of Independent Directors) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force, and clause 49 of the Listing agreement, Mr. Vivek Khanna (DIN: 06737188), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from 19 November 2013 and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Vivek Khanna (DIN: 06737188) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 Schedule IV (Code of Independent Directors) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force, and clause 49 of the Listing agreement, Mr. Umesh Chand Khandelwal (DIN:02121893), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 19th November ,

2013, and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Umesh Chand Khandelwal (DIN:02121893), as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier.”

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

RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force, and clause 49 of the Listing agreement, Mrs. Seema Mital (DIN 06948908), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 14th August, 2014 and who holds office up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Seema Mital (DIN 06948908), as a candidate for the office of Director of the Company, be and is hereby appointed as the Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

Date: 28 August 2014
Place: Kanpur

By the order of Board
For Sulabh Engineers and Services Limited
Sd/-
(Diwaker Dubey)
Company Secretary

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. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
 4. **The Register of Members and Share Transfer Books will remain closed from Monday, September 22, 2014 to September 26, 2014 (both days inclusive) for the purpose of AGM.**
 5. In view of the directions issued by the Ministry vide General Circular No: 2 /2011, dated 08.02.2011 in regard to exemption under Section 212(8) of the Companies Act, for not attaching the balance sheet of the subsidiary concerned, Board of Directors of your Company have given their consent for not attaching the balance sheet of the subsidiary companies.
 6. The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the registered office of the holding company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.
 7. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Limited.
 8. **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.**
 9. Electronic copy of the notice of the 31st 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 31st 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.
 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 31st 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 and the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company www.sulabh.org and also on the website of the Ministry of Corporate Affairs.
- 12. Members are requested to bring their copy of Annual Report to the Meeting.**
13. Members desirous of obtaining any information concerning accounts of the Company are requested to address their questions to the Company Secretary, so as to reach at least 7 days before the date of meeting, to enable the information required to be made available at the Meeting, to the extent possible.
14. 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.
15. Corporate Members are requested to send to the Company, a duly certified copy of the Board resolution/Power of Attorney, authorising their representatives to attend and vote at the Annual General Meeting.

16. VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35 B of Listing Agreement with Stock Exchanges and the Rules made there under, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 31st 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)

In case of members receiving e-mail:

(i) Log on to the e-voting website www.evoting.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the Electronic Voting Sequence Number (EVSN) - “1-----” along with “Sulabh Engineers and Services Limited” from the drop down menu and click on “SUBMIT” Button

(iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID), Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to ww.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	

(vii) After entering these details appropriately click on “SUBMIT” tab.

(viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the relevant EVSN on which you choose to vote.

(xi) 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.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.co.in and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer at the E mail ID skjaincs1944@gmail.com to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on September 18, 2014 at 10.a.m. IST and ends on September 20, 2014 at 6 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 August 29, 2014, 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 www.evotingindia.co.in under help section or write an e mail to helpdesk.evoting@cdslindia.com.

(D) The Voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cut off date of August 29, 2014.

(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 Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-Voting period unlock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

(G) The results shall be declared at the AGM of the Company. The results declared along with the scrutinizers report shall be placed on the Company' website www.sulabh.org.in and on the website of CDSL within 2 (two) days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed.

Statement pursuant to Section 102 (1) of the Companies Act, 2013

ITEM NO. 1

Mr. Rajiv Agarwal is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in February 2011. Rajiv Agarwal retires by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013, Rajiv Agarwal being eligible and seeking re-appointment is proposed to be appointed as an Independent Director for a term of five years.

The Company has received from Rajiv Agarwal (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Rajiv Agarwal as an Independent Director of the Company up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier pursuant to section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the the Companies Act, 2013 and the Rules made there under.

He is not liable to retire by rotation.

In the opinion of the Board of Directors, Rajiv Agarwal, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made

there under and he is independent of the Management. A copy of the draft letter for the appointment of Rajiv Agarwal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Rajiv Agarwal as an Independent Director.

No director, key managerial personnel or their relatives, except Rajiv Agarwal, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 1 for the approval of the member.

ITEM NO. 2

Mr. Rakesh Chand Agarwal is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in July 2011. . Rakesh Chand Agarwal is subject to retire by rotation under the provisions of the erstwhile Companies Act, 1956. In terms of section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013, . Rakesh Chand Agarwal is proposed to be appointed as an Independent Director for a term of five years.

The Company has received from Rajiv Agarwal (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Rakesh Chand Agarwal as an Independent Director of the Company up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier pursuant to section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under.

He is not liable to retire by rotation.

In the opinion of the Board of Directors, Rakesh Chand Agarwal, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter for the appointment of Rakesh Chand Agarwal as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Rakesh Chand Agarwal as an Independent Director.

No director, key managerial personnel or their relatives, except Rakesh Chand Agarwal, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 2 for the approval of the member.

ITEM NO. 3

Mr. VIVEK KHANNA, Chartered Accountant was appointed as an Additional Director by the

Board with effect from November 19, 2013, pursuant to Section 260 of the Companies Act, 1956, and shall hold office up to the date of the ensuing AGM.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of 1,00,000/- proposing the candidature of Mr. VIVEK KHANNA for the office of Independent Director, to be appointed as such under the provisions section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013.

The Company has received from. VIVEK KHANNA (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,

(ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. VIVEK KHANNA as an Independent Director of the Company up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier pursuant to section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. VIVEK KHANNA, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter for the appointment of Mr. VIVEK KHANNA as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Mr. VIVEK KHANNA, to whom the resolution relates, is interested or concerned in the resolution.

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

ITEM NO. 4

Mr. UMESH CHAND KHANDELWAL, Chartered Accountant was appointed as an Additional Director by the Board with effect from November 19, 2013, pursuant to Section 260 of the Companies Act, 1956, and shall hold office up to the date of the ensuing AGM.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of 1,00,000/- proposing the candidature of Mr. UMESH CHAND KHANDELWAL for the office of Independent Director, to be appointed as such under the provisions section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013.

The Company has received from. UMESH CHAND KHANDELWAL (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,

(ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. UMESH CHAND KHANDELWAL as an Independent Director of the Company up to five consecutive years commencing from 26th September, 2014 or the date of the 36th Annual General Meeting, whichever is earlier pursuant to section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under.

He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. UMESH CHAND KHANDELWAL, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter for the appointment of Mr. UMESH CHAND KHANDELWAL as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No director, key managerial personnel or their relatives, except Mr UMESH CHAND KHANDELWAL, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 4 for the approval of the members.

ITEM NO. 5

The Board, at its meeting held on August 14, 2014, appointed Mrs. Seema Mittal as an Additional Director of the Company, pursuant to Section 161 of the Companies Act, 2013, Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mrs. Seema Mittal will hold office up to the date of the ensuing AGM.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of 1,00,000/- proposing the candidature of Mrs. Seema Mittal for the office of director.

The Company has received from Seema Mittal (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

She is liable to retire by rotation.

No director, key managerial personnel or their relatives, except Mrs. Seema Mittal, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 5 for the approval of the members.

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

SANTOSH KUMAR AGARWAL

NAME	SANTOSH KUMAR AGARWAL
FATHER'S NAME	LATE SHRI NAAGAR MAL AGARWAL
D.O.B.	15/12/1947
ADDRESS	128/44 A-1, GOVARDHAN PURWA, JUHI GAUSHALA, KIDWAI NAGAR ANAND NAGAR, JUHI, KANPUR-208011 EMAIL- skaoffice@rediffmail.com
QUALIFICATION	B.COM, L.L.B.
EXPERIENCE	Individual has more than 40 years of experience in legal field as a practicing lawyer. He has rich experience in the area of taxation.
OTHER DIRECTORSHIP	THE KANPUR COMMODITY EXCHANGE LIMITED OLIN INTERNATIONAL LIMITED KCEL COMMIDITY PRIVATE LIMITED
SHAREHOLDING IN THE COMPANY	ON INDIVIDUAL NAME- 4884441 EQUITY SHARES AS KARTA OF SANTOSH KUMAR AGARWAL HUF- 1, 000,000 EQUITY SHARES

CA RAJIV AGARWAL

NAME	RAJIV AGARWAL
FATHER'S NAME	RAM KRISHNA AGRAWAL
D.O.B.	07/04/1968
ADDRESS	117/K/6, SCHEME-III R.S.PURAM,KAKADEO KANPUR -208005 Email- aaacaknp@gmail.com
QUALIFICATION	B.Com. F.C.A.
EXPERIENCE	Rajiv Agarwal is a renowned Chartered Accountant having wide experience in the field of Financial Sector
OTHER DIRECTORSHIP	NIL
SHAREHOLDING IN THE COMPANY	NIL

RAKESH CHAND AGARWAL

NAME	RAKESH CHAND AGARWAL
FATHER'S NAME	RAMESH CHAND AGRAWAL
D.O.B.	24/10/1964
ADDRESS	7/36, Swaroop Nagar KANPUR- 208002 Email- rcagarwal786@gmail.com
QUALIFICATION	Graduate
EXPERIENCE	A businessman with an experience of more than twenty years in the field of Money market
OTHER DIRECTORSHIP	Rodic Coffee Estates Private Limited
SHAREHOLDING IN THE COMPANY	NIL

CA VIVEK KHANNA

NAME	VIVEK KHANNA
FATHER'S NAME	BRIJ MOHAN KHANNA
D.O.B.	13/01/1968
ADDRESS	55, PANCHVATI APARTMEN 8/60, ARYA NAGAR, NAWAB KANPUR- 208002 Email- vivekknannaca@gmail.com
QUALIFICATION	B.Com. F.C.A.
EXPERIENCE	With an experience of more than twenty years as a Chartered Accountant, He is having expertise in the field of Income tax matters and Economics.
OTHER DIRECTORSHIP	NIL
SHAREHOLDING IN THE COMPANY	NIL

CA UMESH CHAND KHANDELWAL

NAME	UMESH CHAND KHANDELWAL
FATHER'S NAME	KAPOOR CHAND KHANDELWAL
D.O.B.	16/10/1966
ADDRESS	111/359 Ashok Nagar , KANPUR- 208002 Email- umihir_k@yahoo.co.in
QUALIFICATION	B.Com. F.C.A.
EXPERIENCE	He is Senior Chartered Accountant Dealing with various financial projects and associated to many industrial group and having experience of more than twenty years.
OTHER DIRECTORSHIP	Gopi Medical Services Private Limited
SHAREHOLDING IN THE COMPANY	NIL

Mrs. SEEMA MITTAL

NAME	SEEMA MITTAL
FATHER'S NAME	LAXMI NARAIN DALMIA
D.O.B.	21/06/1969
ADDRESS	HN. 93 113- Swaroop Nagar , KANPUR- 208002 Email- seemamittal1969@gmail.com
QUALIFICATION	Graduate
EXPERIENCE	She is business consultant and having good knowledge of legal aspects of business matters with experience of more than fifteen years.
OTHER DIRECTORSHIP	NIL
SHAREHOLDING IN THE COMPANY	NIL

DIRECTOR'S REPORT

Dear Shareholders,

Board of Directors feel privileged to present the 31st Annual Report together with Audited statement on the business and operations of the company for the year ended on 31st March, 2014.

FINANCIAL RESULTS:

	2012-2013	2011-2012
	(Rs.in`000)	(Rs.in`000)
Income	9020.25	11008.76
Profit/(Loss) before interest & dep.	5986.16	7145.74
Less:		
Interest	142.83	526.59
Depreciation	521.60	363.32
Profit / (Loss) Before Tax	5321.73	6255.83
Provision for Taxation	1692.95	2000.00
Deferred Tax	+48.59	+33.69
	3677.37	4289.52

OPERATIONAL RESULTS:

During the year under review, the company has received an income of Rs. 9020.25 (in 000) as compared to the previous year income of Rs. 11008.76 (in 000) and earned a profit after tax of Rs. 3677.37 thousand as compared to the previous year profit of Rs. 4289.52 thousand. Though the performance of company is marginally less in comparison of the last year still your directors are trying to improve the performance of the company and are hopeful for the better result of the company in the next financial year.

EXEMPTION UNDER SECTION 212(8) OF THE COMPANIES ACT, FOR NOT ATTACHING THE BALANCE SHEET OF THE SUBSIDIARY COMPANIES:

In view of the directions issued by the Ministry vide General Circular No: 2 /2011, dated 08.02.2011 in regard to exemption under Section 212(8) of the Companies Act, for not attaching the balance sheet of the subsidiary concerned; therefore, Board of Directors of your Company have given their consent for not attaching the balance sheet of the subsidiary concerned. The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

DIVIDEND:

To invest in new projects and increase the area of operation, Company needs to conserve the financial resources of the company for meeting financial requirements of those future business projects. It was decided by your director not to declare any dividend this year.

FIXED DEPOSIT:

Company has not accepted any deposit prescribed U/s 58A of the companies Act 1956 during the financial year 2013-14.

AUDITORS:

Satish Soni & Co., Chartered Accountants, from whom company has received a certificate that his appointment as Auditors, is within the limit as laid down u/s 139 of the companies Act, 2013, shall hold office from the conclusion of this Annual General Meeting to the conclusion of 34th Annual General Meeting subject to approval of Shareholders in every Annual General Meeting.

CHANGE IN MANAGEMENT & TAKEOVER:

There is no change in the management of the company during the Financial Year.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:

As stipulated in section 217 (2AA) of Companies Act 1956, Your Directors subscribe to the Directors Responsibility statement and confirm as under:

- i. That the preparations of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the Profit of the company for that period.
- iii. That the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS:

During the period under review the relation between employee and Management remained cordial.

DIRECTORS:

The Board of the company is duly constituted.

C.A. Vivek Khann and CA Umesh Chand Khandelwal who were appointed as Additional Director are eligible to be appointed as regular Director and offers themselves to be appointed at the AGM.

None of the Directors is Disqualified u/s 164 of the companies Act, 2013.

AUDITORS REPORT:

The observation as per Auditors Report is self-explanatory and does not call any further clarification from directors.

CORPORATE GOVERNANCES:

As the company is required to comply with clause 49 of the Listing Agreement so the Corporate Governance Report confirming the compliance of conditions of corporate Governance forms part of the Annual Report.

LISTING OF SHARES:

The Company's shares are listed with the Bombay Stock Exchange Ltd., 1st Floor, P.J.Towers, Dalal Street, Mumbai and Uttar Pradesh Stock Exchange Ltd., Padam Tower, 14/113, Civil Lines, Kanpur.

RISK AND INTERNAL ADEQUACY:

The company has adequate internal control procedures commensurate with its size and nature of its business. The Board of Directors periodically reviews the audit plans, internal audit reports, adequacy of internal control and mismanagement.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING OUTGO:

Your Company is not engaged in any manufacturing activity which is power intensive, it basically engaged in trading activities and use power saving devices by implementing the advanced and latest technology in carrying out its operational activities. 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.

EMPLOYEES:

The particulars as required u/s217 (3A) of the companies Act, 1956 are furnished as none of the employee is drawing remuneration of Rs.500000/- or more per month if employees for apart of the year of Rs.6000000/-if employed throughout the period.

ACKNOWLEDGEMENTS:

Yours Directors acknowledge with thanks for the co-operation and assistance what so ever received from employees, members, banks and govt. Authorities.

By the Order and on behalf of the Board of Directors
SULABH ENGINEERS AND SERVICES LTD.

SD/-

SD/

PLACE: KANPUR
DATE : 28-05-2014

Manoj Kumar Agarwal Rakesh Chand Agarwal
DIRECTOR DIRECTOR

DECLARATION REGARDING ADHERENCE TO THE CODDE OF CONDUCT

As provide under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management Personnel have confirmed compliance with the code of conduct for the year ended March 31, 2014.

For Sulabh Engineers and Services Limited

Place: Kanpur
Date: 28 May 2014

Manoj Kumar Agarwal
Whole Time Director



SATISH SONI & CO.

Chartered Accountants

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

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Sulabh Engineers and Services Limited

We have examined the companies of conditions of Corporate Government by Sulabh Engineers and Services Ltd, for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 Clause 49.

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

For SATISH SONI & CO.
Chartered Accountants

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

Place: Mumbai
Date: 28 May 2014

CEO CERTIFICATION

I, Manoj Kumar Agarwal, Chairman & Whole Time Director of Sulabh Engineers & Services Limited, hereby certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2014 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by Sulabh Engineers & Services Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We are responsible for establishing and maintaining internal controls for financial reporting in Sulabh Engineers & Services Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee.

(i) Significant changes in internal control over financial reporting during the year;

(ii) Significant changes in Accounting Policies during the year and the same have been disclosed in the notes to the financial statements; and

(e) We certify that there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or any employee having significant role in the Company's internal control systems.

(f) We affirm that we have not denied any personnel, access to the Audit Committee of the company (in respect of matters involving alleged misconduct)

Place: Kanpur
Date: 28 May 2014

Sd/-
(Manoj Kumar Agarwal)
Chairman & Whole Time Director

INDEPENDENT AUDITOR'S REPORT

To the Members of
SULABH ENGINEERS & SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SULABH ENGINEERS & SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

- b) in the case of the Statement Profit and Loss Account, of the profit for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SATISH SONI & CO.
Chartered Accountants
(Firm's Reg.No -109333w)

(Satish Soni)
Proprietor
Membership No. 44391
Place: Mumbai
Date: May 28, 2014

**ANNEXURE REFERRED TO IN PARAGRAPH [1] OF OUR
AUDIT REPORT**

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details & situation of Fixed Assets.
 - b. All the fixed assets have been physically verified by the management during the year & there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
 - c. During the year, the Company has not disposed off any substantial fixed assets.
2. 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 4(ii) of CARO is not applicable to the Company.
3. The Company has not granted /taken any loans, secured or unsecured, to /from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 except interest free unsecured loan granted to its subsidiary. The Maximum Balance outstanding as at the year end was Rs. 8,65,00,000/-.
4. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to the purchase of fixed assets and equipments & for sale of services. During the course of our audit, we have not observed any major weakness in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956.
 - a. Based on audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions of purchase & sale of goods and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs. 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under..
7. The Company does not have a formal system of internal audit but there are adequate checks and controls at all levels.
8. The Central Government has not prescribed for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the Company.
9. In respect of the statutory dues:
 - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
 - b. There were no undisputed amount payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues which have remained outstanding as at 31st March, 2014 for a period more than six months from the date they became payable.
10. The Company has neither accumulated losses nor it has incurred cash losses during the financial year covered by our audit..
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. In our opinion and according to the information & explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund, a nidhi, mutual benefit fund or a society.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance-sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. The Company has not raised any long-term funds during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for **SATISH SONI AND CO**
Chartered Accountants
SATISH SONI
(Proprietor)
M. No. : 044391
FRN : 109333w

SULABH ENGINEERS & SERVICES LIMITED**Balance Sheet as at 31 March, 2014**

Particulars	Note No.	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2	100,475,000	100,475,000
(b) Reserves and surplus	3	111,987,410	108,308,798
		212,462,410	208,783,798
Non-Current liabilities			
(b) Long Term Provisions	4	221,426	495,911
		221,426	495,911
Current liabilities			
(a) Other current liabilities	5	488,989	183,187
(b) Short Term Provisions	6	2,545,449	2,443,393
		3,034,438	2,626,580
TOTAL		215,718,274	211,906,289
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	1,565,730	1,860,467
(b) Non-current Investments	8	32,070,650	25,500,000
(c) Long-term loans and advances	9	170,740,213	175,556,718
(d) Deferred Tax Assets (Net)	19	82,286	33,696
		204,458,879	202,950,881
Current assets			
(a) Cash and cash equivalents	10	8,548,970	5,300,784
(b) Short-term loans and advances	11	2,272,113	2,355,928
(c) Other current assets	12	438,312	1,298,696
		11,259,395	8,955,408
TOTAL		215,718,274	211,906,289
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 Satish Soni & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

Manoj Kumar Agarwal
Whole Time Director
DIN:01767926

Sd/-

Rakesh Chand Agarwal
Director
DIN:03539915

Satish Soni

Proprietor

M.No 44391

FRN : 109333w

Place : Mumbai

Date : 28/05/2014

SULABH ENGINEERS & SERVICES LIMITED**Profit & Loss Account for the year ended 31st March 2014**

Particulars	Note No.	Year ended March 31, 2014	Year ended March 31, 2013
Income			
Revenue from operations (net)	13	9,020,251	11,008,764
Total revenue (1+2)		9,020,251	11,008,764
Expenditure			
Employee benefits expense	14	1,226,924	1,819,143
Depreciation and amortisation expense	7	521,602	363,322
Finance Cost	15	150,765	534,956
Other expenses	16	1,799,226	2,035,512
Total expenses		3,698,517	4,752,933
Profit before taxation		5,321,734	6,255,831
Tax expense:			
Current tax expense for current year		1,692,956	2,000,000
Deferred tax		(48,590)	(33,696)
Total Tax Expense		1,644,366	1,966,304
Net Profit after tax		3,677,368	4,289,527
Earnings per share			
Basic & diluted earnings per share (Rs.)		0.04	0.38
Face Value per share (Rs.)		1.00	1.00
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 Satish Soni & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Manoj Kumar Agarwal
Whole Time Director
DIN:01767926

Sd/-
Rakesh Chand Agarwal
Director
DIN:03539915

Satish Soni
Proprietor
M.No 44391
FRN : 109333w
Place : Mumbai
Date : 28/05/2014

SULABH ENGINEERS & SERVICES LIMITED		
Cash Flow Statement for the year ended March 31, 2014		
Particulars	As at March 31, 2014	As at March 31, 2013
A) Cash flow from operating activities		
Net Profit before tax	5,321,734	6,255,831
<u>Adjustments for:</u>		
Depreciation and amortisation	521,602	363,322
Operating profit / (loss) before working capital changes	5,843,336	6,619,153
<u>Changes in working capital:</u>		
Decrease/(increase) in long-term loans & advances	4,816,505	-23,891,599
Decrease/(increase) in short-term loans & advances	83,815	-1,690,921
Decrease/(increase) in Other non-current assets	860,384	-601,872
Increase/(decrease) in Other current liabilities	305,802	-562,847
Increase/(decrease) in long-term provisions	-274,485	495,911
Increase/(decrease) in Short-term provisions	102,056	1,910,192
Cash generated from operations	11,737,413	-17,721,983
Net income tax (paid) / refunds	-1,691,712	-1,966,304
Net cash flow from / (used in) operating activities (A)	10,045,701	-19,688,287
B) Cash flow from financing activities	Nil	Nil
Net cash flow from / (used in) financing activities (B)	Nil	Nil
C) Cash flow from investing activities		
Purchase of fixed assets, including capital wip	-226,865	-2,223,789
Purchase of non-current investments	-6,570,650	-24,050,000
Net cash flow from / (used in) investing activities (C)	-6,797,515	-26,273,789
D) Net Increase/Decrease) in Cash & Cash Equivalents (A+B+C)	3,248,186	-45,962,076
E) Cash & Cash Equivalents at the beginning of the year	5,300,784	51,262,860
F) Cash & Cash Equivalents at the end of the year	8,548,970	5,300,784
Components of Cash & Cash Equivalents (As per Note : 10)		
Cash on Hand	250,432	670,645
Balance with Banks		
- In Current Accounts	1,042,153	4,581,718
- In Deposit Accounts	7,256,385	48,421
Total Cash & Cash Equivalents	8,548,970	5,300,784

The above statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3- Cash

As per our report of even date

For Satish Soni & Co.

Chartered Accountants

For and on behalf of the Board

Satish Soni

Proprietor

M.No 44391

FRN : 109333w

Place : Mumbai

Date : 28/05/2014

Sd/-

Manoj Kumar Agarwal

Whole Time Director

DIN:01767926

Sd/-

Rakesh Chand Agarwal

Director

DIN:03539915

Significant Accounting Policies and Notes on Accounts	
Note	Particulars
1	<p>A Corporate Information 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 Significant accounting policies</p> <p>a) Basis of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p> <p>The company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve ank of India (RBI) for non-deposit taking Non-banking Finance Companies (NBFC-ND)</p> <p>b) Use of estimates 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) Revenue recognition <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) Tangible fixed assets and Depreciation 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. Depreciation has been provided on the written-down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.</p> <p>e) Intangible assets 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>

Note	Particulars
f)	<p>Valuation of Inventories Lower of cost and net realisable value.</p>
g)	<p>Segment reporting 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.</p>
h)	<p>Earnings per share Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.</p>
i)	<p>Taxes on income 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</p>
j)	<p>Foreign currency transactions and translations</p> <p><u>Initial recognition</u> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement of foreign currency monetary items at the Balance Sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p>

Note	Particulars
	<p><u>Treatment of exchange differences</u> Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.</p> <p>The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.</p>
k)	<p>Employee benefits The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation.</p>
l)	<p>Government grants and subsidies 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>Provisions and contingencies 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>Provisioning/ write-off of assets Non performing loans are written off / provided for, as per management estimates, subject to the minimum provision required as per Non- Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. Provision on standard assets is made as per management estimates and is more than as specified in the notification DNBS.PD.CC.No.207/ 03.02.002 /2010-11 issued by Reserve Bank of India.</p>
o)	<p>Investments Investments intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.</p>

Note 2 Share capital				
Particulars	As at March 31, 2014		As at March 31, 2013	
	(a) Authorised			
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) Issued, Subscribed and fully paid up				
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	
Total	100,475,000		100,475,000	

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, 2014		As at March 31, 2013	
	No. of Shares	Amount-Rs	No. of Shares	Amount-Rs
Number of shares at the beginning	100,475,000	100,475,000	10,047,500	100,475,000
Shares Split to Rs. 1/- per Share	Nil	Nil	90,427,500	Nil
Add: Shares issued during the year	Nil	Nil	Nil	Nil
Number of shares at the end	100,475,000	100,475,000	100,475,000	100,475,000

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

Name of Shareholders	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% held	No. of Shares	% held
Ruchi Agarwal	6,000,000	5.97%	6,000,000	5.97%
Sandhya Agarwal	5,375,000	5.35%	5,400,000	5.37%
Number of shares at the end	11,375,000	11.32%	11,400,000	11.35%

SULABH ENGINEERS & SERVICES LIMITED

Particulars	As at 31, 2014	March 31, 2013
Note 3 Reserves and surplus		
a. Securities Premium Account		
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. Special Reserve under Section 45-IC of RBI Act, 1934		
Opening balance	857,905	Nil
Add: Transfer during the year	735,474	857,905
Closing Balance	1,593,379	857,905
c. General Reserve		
Opening balance	2,400,000	2,400,000
Add: Any other Adjustments	1,244	Nil
Closing Balance	2,401,244	2,400,000
d. Surplus		
Opening balance	7,050,893	3,619,271
Add: Net Profit for the Year	3,677,368	4,289,527
Less: Transfer to Reserve u/s 45IC of RBI Act	735,474	857,905
Closing Balance	9,992,787	7,050,893
Total	111,987,410	108,308,798
Note 4 Long-Term Borrowings		
Vehicle Loan	221,426	495,911
Less: Current Maturities of Long-term Debt (disclosed under Other Current Liabilities)	Nil	Nil
	221,426	495,911
Note 5 Other current liabilities		
Other payables		
(i) Statutory remittances		
TDS payables	38,350	8,427
(ii) Other Payables	450,639	174,760
	488,989	183,187
Note 6 Short Term Provisions		
Provision for Tax	1,692,956	2,009,001
Provision for Standard Assets	852,493	434,392
	2,545,449	2,443,393

SULABH ENGINEERS & SERVICES LIMITED

Particulars	As at 31, 2014	As at March 31, 2013
Note 8 Non-current Investments		
Long term Investments - Non Trade		
In Fully paid up equity shares - Unquoted		
- In Subsidiaries		
Rodic Coffee Estates Private Limited	25,500,000	25,500,000
(25,50,000 Eq. Shares, Previous Year - 25,50,000 Eq. Shares)		
In Mutual Funds -		
Birla Sunlife Mutual Fund	1,000,000	Nil
Reliance Fixed Horizon Fund	5,000,000	Nil
In Gold Coins	570,650	Nil
	32,070,650	25,500,000
Aggregate market value of unquoted investments	32,070,650	25,500,000
Note 9 Long-term loans and advances		
Other loans and advances	167,240,213	173,756,718
Advance for capital goods	3,500,000	1,800,000
	170,740,213	175,556,718
Note 10 Cash and cash equivalents		
<u>Cash on hand</u>	250,432	670,645
<u>Balance with Scheduled Bank</u>		
In Current Accounts	1,042,153	2,756,718
In Fixed Deposits	7,207,964	Nil
<u>Other Bank Balances</u>		
Unpaid Dividend Account	48,421	48,421
Cheques in hand	Nil	1,825,000
	8,548,970	5,300,784
Note 11 Short-term loans and advances		
Balances with Government Authorities		
Advance tax & TDS	2,211,382	2,355,928
Other loans and advances		
Advance to staff	60,000	Nil
Advance to Suppliers / Others	731	Nil
	2,272,113	2,355,928
Note 12 Other current assets		
Unamortised Share Issue Expenses & Preliminary Expenses	438,312	584,416
Interest Accrued on Loans	Nil	714,280
	438,312	1,298,696

SULABH ENGINEERS & SERVICES LIMITED

Note 7 Fixed assets

(Amount-Rs)

Assets	Gross block			Accumulated depreciation and impairment			Net Block	
	Balance as at April 1, 2013	Additions	Balance as at March 31, 2014	Balance as at April 1, 2013	Depreciation / amortisation expense for the year	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
Tangible Assets- Owned								
Vehicles	2,200,789	102,373	2,303,162	358,155	487,401	845,556	1,457,606	1,842,634
Computers	23,000	124,492	147,492	5,167	34,201	39,368	108,124	17,833
TOTAL	2,223,789	226,865	2,450,654	363,322	521,602	884,924	1,565,730	1,860,467
Previous Year	-	2,223,789	2,223,789	-	363,322	363,322	1,860,467	-

SULABH ENGINEERS & SERVICES LIMITED

Particulars	For the year	
	ended March 31, 2014	ended March 31, 2013
Note 13 Revenue from operations		
Interest Income	9,020,251	10,608,764
Profit on sale of Investments	Nil	400,000
Total Revenue from operations	9,020,251	11,008,764
Note 14 Employee benefits expense		
Salaries and wages	822,000	1,084,000
Directors' Remuneration	360,000	675,000
Staff Welfare	44,924	60,143
Total	1,226,924	1,819,143
Note 15 Finance Cost		
Interest	142,833	526,593
Bank Charges	7,932	8,363
Total	150,765	534,956
Note 16 Other expenses		
Advertisement	96,238	59,382
Communication Expenses	26,851	27,439
Donation	211,111	Nil
Insurance	19,804	Nil
Legal and professional Charges	388,828	640,822
Miscellaneous expenses	42,453	63,496
Payments to auditors		
<i>Audit Fees</i>	75,000	65,000
<i>Certification Charges</i>	35,000	
<i>Service Tax</i>	13,596	8,034
Postage & Telegram	18,463	27,697
Printing and stationery	25,390	33,808
Provision for Sub-standard Assets	418,101	434,392
Rent	120,000	120,000
Repairs and maintenance - Others	Nil	16,000
Share issue & Preliminary Expenses W/off	146,104	146,104
Travelling and conveyance	162,287	393,338
Total	1,799,226	2,035,512

SULABH ENGINEERS & SERVICES LIMITED

Particulars	For the year	
	ended March 31, 2014	ended March 31, 2013
Note 17 Contingent liabilities	Nil	Nil
Note 18 Dues to Micro, Small and Medium Enterprises 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
Note 19 Deferred Tax Assets (Net) Deferred Tax Liability on account of difference in Depreciation as per tax books and financial books	48,541	33,696
Note 20 Expenditure in foreign currency	Nil	Nil
Note 21 Earnings in foreign exchange	Nil	Nil
Note 22 Employee benefits	Nil	Nil

Note 23 Related party transactions

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Manoj Kumar Agarwal
Company in which KMP / Relatives of KMP can exercise significant influence	

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 31 March, 2014	For the year ended 31 March, 2013
Directors' Remuneration		
Manoj Kumar Agarwal	360,000	360,000
Deepa Mittal	Nil	315,000

Note 24 Previous year's figures

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Satish Soni & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Satish Soni
Proprietor
M.No. 44391
FRN : 109333w
Place : Mumbai
Date : 28/05/2014

Sd/-
Manoj Kumar Agarwal
Whole Time Director
DIN:01767926

Sd/-
Rakesh Chand Agaewal
Director
DIN: 03539915

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

Liabilities Side		Rs. In Lakhs	
1	Loan and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount Overdue
(a)	Debenture :Secured	Nil	Nil
	:Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits*)		
(b)	Deferred Credits	Nil	Nil
(c)	Terms Loans	4.96	Nil
(d)	Inter-corporate loans and borrowing	Nil	Nil
(e)	Commercial Paper	Nil	Nil
* Please see Note 1 below			
Asset Side			
2	Break up of Loans and advances including bills receivables (other than those including in (4) below :		
(a)	Secured	Nil	Nil
(b)	Unsecured	1,755.57	1,516.65
3	Break up of leased Assets and Stock on hire and other assets counting towards AFC activities		
(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
4	Breakup of Investments:		
1.Quoted:			
(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(please specify)	Nil	Nil
2.Unquoted:			
(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
Long Term Investments :			
1.Quoted:			
(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
2.Unquoted:			
(i)	Shares : (a) Equity	255.00	14.50
	(b) Preferences	Nil	Nil
(ii)	Debenture and Bonds	Nil	Nil
(iii)	Units of mutual funds	Nil	Nil
(iv)	Government Securities	Nil	Nil

(v) Others(LLP)			Nil	Nil
5 Borrower group-wise classification of Assets financed as in (2) and (3) above :				
Please see note 2 below				
Amount net of provisions				
Category	Secured	Unsecured	Total	
1.Related Party				
(a) Subsidiaries	Nil	857.85	857.85	
(b) Companies in the same group	Nil	Nil	Nil	
(c.) Other related parties	Nil	Nil	Nil	
2.Other than related parties	Nil	897.72	897.72	
Total	Nil	1,755.57	1,516.65	
6 Investor Group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)				
Please see note 3 below				
Category		Market value / Break up or fair value or NAV	Book Value (net of provisions)	
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		Nil	Nil	
Total		255.00	255.00	
*Market rate is not available hence cost has been taken.				
**As per Accounting Standards of ICAI(Please see Note 3)				
7 Other Information				
Particulars			Amount	
(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	

NOTES:

- As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 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. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date
For Satish Soni & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Satish Soni
Proprietor
M.No. 44391
FRN : 109333w
Place : Mumbai
Date : 28/05/2014

Manjoj Kumar Agarwal
Whole Time Director
DIN: 01767926

Rakesh Chand Agarwal
Director
DIN:03539915

SULABH ENGINEERS & SERVICES LIMITED

Computation of Net Owned Funds

		31-03-2014	31-03-2013
1	Paid-up equity capital and Free reserves (A)	212,462,410	208,783,798
2	Less: Accumulated balance of loss, Deferred revenue expenditure and book value of other intangible assets (B)	438,312	584,416
3	(C) = (A) minus (B)	212,024,098	208,199,382
4	Sum up the figures, if any, under the following items:		
	a) Investments in shares of Subsidiaries, companies in the same group, other NBFCs	25,500,000	25,500,000
	b) Book value of debentures, bonds, outstanding loans and advances (including hire-purchase and lease finance) made to Subsidiaries, companies in the same group	86,500,000	86,000,000
	c) Deposits with Subsidiaries, companies in the same group	-	-
	If the resultant figure exceeds 10% of (C), find out the excess = (D)	112,000,000	111,500,000
		90,797,590	90,680,062
5	NOF = (C) minus (D)	121,226,508	117,519,320

Compulsory Convertible Preference Shares (CCPs)/Compulsory convertible debentures (CCDs) are not considered for calculation of Net Owned Funds.

Statement pursuant to general exemption under section 212(8) of the Companies act, 1956 relating to subsidiary companies.

S.No.	Name of the Subsidiary	Roddic Cofee Estate Pvt. Ltd
	Financial Year ends on 31/03/2014	(Rs. In Lacs)
1.	Share Capital	500.00
2.	Reserves	37.62
3.	Total Assets	2354.98
4.	Total Liabilities	2354.98
5.	Details Of Investments	NIL
6.	Turnover	70.20
7.	Profit Before Taxation	31.92
8.	Profit for Taxation	12.31
9.	Profit after taxation	19.61
10.	Proposed Dividend	NIL

Notes:

- 1) The ministry of corporate affairs vide their general circular no. 2/2011 dated 5th February, 2011 has granted exemption from the applicability of the provisions of sub section (1) of section 212 of the Companies Act, 1956.
- 2) The company will make available the annual accounts of the subsidiary company and related detailed information if sought by the members of the company and its subsidiary. Further, the annual accounts of subsidiary company will be kept for inspection by any member of the company or its Subsidiary at the registered office of the company and that of the subsidiary company concerned.

SULABH ENGINEERS AND SERVICES LIMITED

CIN: L28920MH1983PLC029879

Regd. Office: **Office No.206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd.,
R .K. Singh Marg office, Parsi Panchayat Road,Andheri (East),Mumbai-400069** India.

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

Tel.: Registered Office: Tele No- 022-27654092 Fax No. - 022- 27658405

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

Website: www.sulabh.org.in Email.: sulabheng22@gmail.com,sulabhinvestorcell@gmail.com**ATTENDANCE SLIP**

(To be presented at the entrance)

Reg. Folio No:

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, **Office No.206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg office, Parsi Panchayat Road,Andheri (East),Mumbai-400069** on Friday, the 26th day of September 2014 at 11:30 AM.

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: **Office No.206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd.,
R .K. Singh Marg office, Parsi Panchayat Road,Andheri (East),Mumbai-400069** India.

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

Website: www.sulabh.org.in Email.: sulabheng22@gmail.com,
sulabhinvestorcell@gmail.com

Name of the member (s):

.....

Registered address:

.....

E-mail Id:

.....

Folio No/ Client Id:

.....

DP ID:

.....

I/We, being the member (s) ofshares 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 31st Annual
General Meeting of the Company, to be held on the Friday, September 26, 2014 at 11.30 A.M. at
Office No.206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg
office, Parsi Panchayat Road,Andheri (East),Mumbai-400069 and at any **adjournment thereof**
in respect of such resolutions as are indicated below:

Ordinary Business

Optional*

Resolution No.	Item	For	Against
1	Adoption of financial statement for the year ended March 31, 2014		
2.	Reappoint Shri Santosh Kumar Agarwal, (DIN: 00392309) Director who retires by rotation		
3.	To appoint M/S Satish Soni & Co., Chartered Accountants as Statutory Auditors of the company		

Special Business

Resolution No.	Item	For	Against
1	To appoint Mr. Rajiv Agarwal (DIN :03445523), as Independent Director		
2.	To appoint Mr. Rakesh Chand Agarwal (DIN:03539915), as Independent Director		
3.	To appoint Mr. Vivek Khanna (DIN: 06737188) as Independent Director		
4.	To appoint Mr. Umesh Chand Khandelwal (DIN:02121893), as Independent Director		
5.	To appoint Mrs. Seema Mital (DIN 06948908),, as Director		

Signed this day of 2014.

Signature of shareholder

Affix Re/- Revenue Stamp Here

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent, of the total share capital of the Bank 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.