

**SULABH ENGINEERS & SERVICES LIMITED**

**ANNUAL REPORT**

**2015-2016**

## **CONTENTS**

- 02: BRIEF PROFILE OF THE COMPANY**
- 05: DIRECTOR'S REPORT**
- 23: MANAGEMENT DISCUSSION AND ANALYSIS**
- 25: CORPORATE GOVERNANCE REPORT**
- 39: AUDITOR'S REPORT (STAND ALONE)**
- 41: FINANCIAL STATEMENTS (STAND ALONE)**
- 54: AUDITOR'S REPORT (CONSOLIDATED)**
- 58: FINANCIAL STATEMENTS (CONSOLIDATED)**

**REGISTERED OFFICE**

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

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

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

**CORPORATE OFFICE**

17/11, The Mall, Kanpur 208001

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

**CORPORATE IDENTIFICATION NUMBER (CIN)**

L28920MH1983PLC029879

**BANKER**

Union Bank of India

Kotak Mahindra Bank

**REGISTRAR AND SHARE TRANSFER AGENT**

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

Phone: 011-26812682/64732681-88

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

**WEBSITE**

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

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

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

*CEO & Whole Time Director*

Mr. Manoj Kumar Agarwal is a commerce graduate having vast experience in finance and investment. He is also associated with many industrial groups enlightening and guiding them with his knowledge and experience.

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

*Director and Chief Financial Officer*

She is business consultant and having good knowledge of financial and legal aspects of business matters with experience of more than fifteen years.

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

*Independent Director*

Rajiv Agarwal is a renowned Chartered Accountant having wide experience in Financial Sector. He is also expert of Income tax matters and Economics.

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

*Independent Director*

Rakesh Chand Agarwal is a graduate and businessman who has successfully ventured out in many projects. He also has experience of more than twenty years in the field of Money market.

#### **C.A. Umesh Chand Khandelwal\***

*Independent Director*

Umesh Chand Khandelwal is Senior Chartered Accountant dealing with various financial projects and associated to many industrial group and having experience of more than twenty years.

\*Resigned on 01<sup>st</sup> October 2015

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

*Independent Director*

Sudeepti Srivastava is Company Secretary by Profession having extensive experience in Company matters and applicable laws.

#Appointed on 31st December 2015

### **COMPANY SECRETARY**

Mr. Diwaker Dubey

### **AUDITORS**

Satish Soni & Co.

Chartered Accountants

15/1, 2<sup>nd</sup> Floor, Metro House

Colaba, Mumbai-401101

Ph: 022- 32903287

## **DIRECTOR'S REPORT**

Dear Shareholders,

It is indeed an honor for Board of Directors to present the 33<sup>rd</sup> Annual Report together with Audited statement on the business and operations of the company for the year ended on 31<sup>st</sup> March, 2016.

### **FINANCIAL RESULTS:**

<b>Particulars</b>	<b>2015-16 (Rs.)</b>	<b>2014-15 (Rs.)</b>
Revenue From Operations	10,051,617	10,804,242
Other Income	4,705	4,287
Total Income	10,056,322	10,808,529
<b>Profit/(Loss) Before Interest &amp; Dep.</b>	<b>7,512,164</b>	<b>8,382,631</b>
Less: Interest	13,184	229,629
Less: Depreciation	365,979	591,115
<b>Profit / (Loss) Before Tax</b>	<b>7,133,001</b>	<b>7,561,887</b>
Less: Current Tax	2,200,000	2,500,000
Less: Deferred Tax	+34,707	+79,935
<b>Net Profit After Tax</b>	<b>49,67,708</b>	<b>51,41,822</b>

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

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

- Total Revenue from Operations decreased by 6.97% to Rs.10,051,617/- (Previous year Rs.10,804,242/-).
- Profit Before Interest & Dep. decreased by 10.38% to Rs.7,512,164/- (Previous year Rs.8,382,631/-).
- PAT decreased by 3.39% to Rs.4,967,708/- (Previous year Rs.5,141,822/-).

### **ASSET GROWTH**

Total Assets of the Company stood at Rs.226,709,020/- as compared to Rs.221,733,302/- during the last year, showing an increase of 2.24%.

### **SHARE CAPITAL**

The paid up equity capital as on March 31, 2016 was Rs.100475000/-. During the year under review, the Company has not issued shares with differential voting rights nor has issued any sweat equity. As on March 31, 2016, none of the Directors of the Company hold any convertible instruments of the Company.

### **DIVIDEND**

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

**TRANSFER TO RESERVES**

The Company transferred an amount of Rs. 9, 93, 542/- to the Special Reserves under section 45IC of RBI Act, during the year.

**CONSOLIDATED FINANCIAL STATEMENTS**

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

**SUBSIDIARY COMPANIES**

As on March 31, 2016, the Company has the following subsidiaries:

1. Rodic Coffee Estates Private Limited.

The audited financial statements, the Auditors Report thereon and the Board's Report for the Company's subsidiaries for the year ended March 31, 2016 are available on the website of the Company. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**MATERIAL SUBSIDIARIES**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern basis';
- e) the Directors have laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

### **CORPORATE GOVERNANCE**

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

### **RELATED PARTY TRANSACTIONS**

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

### **CORPORATE SOCIAL RESPONSIBILITY**

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

### **FIXED DEPOSITS:**

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

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

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

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

The Board of the company is duly constituted.

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

Mr. Umesh Khandelwal an Independent director submitted his resignation to the Board on October 01, 2015 due to other preoccupations. The same was accepted by the Board in its meeting held on October 28, 2015.

Mrs. Sudeepti Srivastava, Company Secretary was appointed as an Additional Director by the Board with effect from December 31, 2015, pursuant to Section 161 of the Companies Act, 2013, 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. Sudeepti Srivastava 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.

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

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

#### **FORMAL ANNUAL PERFORMANCE EVALUATION**

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

#### **NOMINATION AND REMUNERATION POLICY**

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

#### **FAMILIARIZATION PROGRAM**

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

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

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

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

##### **Statutory Auditors**

M/s. Satish Soni & Co., Chartered Accountants, Statutory Auditors of the Company, holds office till the conclusion of the ensuing Annual General Meeting and is eligible for re-appointment.



They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment.

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

#### **Secretarial Auditor**

CS Gopesh Sahu, Practicing Company Secretary was appointed to conduct Secretarial Audit of the Company for the financial year 2015-16 as required under section 204 of the Companies Act, 2013 and the rules there under. The Secretarial Audit report for the financial year 2015-16 forms part of the Annual Report as "Annexure A" to the Board's Report.

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

### **DISCLOSURES**

#### **Audit Committee**

The Audit Committee comprises Independent Directors namely Mr. Rajiv Agarwal (Chairman), Mr. Rakesh Chand Agarwal and Mr. Manoj Kumar Agarwal as other members. The Audit Committee played an important role during the year. It coordinated with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts. All the recommendations made by the Audit Committee were accepted by the Board.

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

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

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

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

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

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

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

In line with the best Corporate Governance practices, Company has put in place a system through which the Directors and Employees may report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics without fear of reprisal. The Employees and Directors may report to the Compliance Officer and have direct

access to the Chairman of the Audit Committee. The WBP may be accessed on the Company's website at the link [www.sulabh.org.in](http://www.sulabh.org.in)

### **Risk Management**

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board has formulated Risk management policy to ensure that the Board, its Audit Committee and its Executive Management should collectively identify the risks impacting the Company's business and document their process of risk identification, risk minimization, risk optimization as a part of a Risk Management Policy/ strategy.

The common risks inter alia are: Regulations, Credit Risk, Foreign Exchange and Interest Risk, Competition, Business Risk, Technology Obsolescence, Investments, Retention of Talent and Expansion of Facilities etc. Business risk, inter-alia, further includes financial risk, political risk, legal risk, etc. The Board reviews the risk trend, exposure and potential impact analysis and prepares risk mitigation plans, if necessary. One meeting of the Risk Management Committee was held during the year. The details of which are provided in Report on Corporate Governance.

### **Meetings of Board**

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

### **Particulars of Loans, Investments, Guarantees**

During the year under review, the Company has not given any loans and guarantees. Details of Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Note no. 9 & 10 of Notes to the Financial Statements.

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

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

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

### **Extract of Annual Return**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March, 2016 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as "Annexure B".

### **Particulars of Employees**

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

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

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

### **Disclosure under Sexual Harassment of Women**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. & also available on Company's website. All women employees (permanent, contractual, temporary and trainee) are covered under this Policy.

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

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

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

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

### **SUSPENSION OF TRADING**

BSE has suspended trading in the securities of the Company w.e.f. 07 January 2015 pursuant to directions received from SEBI as a surveillance measure until further notice.

### **ACKNOWLEDGMENTS**

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

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

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

Sd/-

**Rajiv Agarwal**  
Director  
DIN: 03445523

Sd/-

**Rakesh Chand Agarwal**  
Director  
DIN: 3539915

Place: Kanpur  
Date: May 30, 2016

**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31.03.2016*

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

To,  
The Members

**SULABH ENGINEERS AND SERVICES LIMITED**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by SULABH ENGINEERS AND SERVICES LIMITED for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the company during the Audit period) ;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the Audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the company during the Audit period);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the Audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable to the company during the Audit period);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the Audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the Audit period);
- (vi) Other Laws as per the representation given by the company.

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

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

Other than that mentioned herein below:

*That Uttar Pradesh Stock Exchange Limited was recognized vide SEBI Exit Order No.WTM/RKA/MRD/49/2015 dated 09.06.2015; hence the shares of the company are no more listed in UPSE, Kanpur.*

Sd/-

CS Gopesh Sahu

FCS: 7100

CP No: 7800

Date: 30 May 2016

Place: Kanpur

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

**APPENDIX A**

To,

The Members

SULABH ENGINEERS AND SERVICES LIMITED  
Mumbai.

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

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

**CS GOPESH SAHU**

FCS:7100  
C.P. No. 7800

Date : May 30, 2016

## Annexure "B"

### **EXTRACT OF ANNUAL RETURN as on the financial year ended March 31, 2016**

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

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

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

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

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

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

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

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

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

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

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



<b>2. Non Institutions</b>									
a. Body Corporate									
i) Indian	22972703	NIL	22972703	22.86	24002704	304200	24306904	24.19	1.33
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Individual									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1627863	3000	1630863	1.62	1469073	3000	1472073	1.47	(0.15)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	44484093	NIL	44484093	44.27	44133885	NIL	44133885	43.93	(0.34)
c. Others									
i. NRI	10	NIL	10	0	10	NIL	10	0	0
ii. Public Trust	18400	NIL	18400	0.02	18400	NIL	18400	0.02	0
iii. HUF	5685494	NIL	5685494	5.66	4860291	NIL	4860291	4.84	(0.82)
<b>Sub-total (B)(2):-</b>	74788563	3000	74791563	74.44	74484363	307200	74791563	74.44	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	74788563	3000	74791563	74.44	74484363	307200	74791563	74.44	0
<b>C.SHARES HELD BY CUSTODIAN FOR GDRS &amp; ADRS</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>GRAND TOTAL (A+B+C)</b>	100472000	3000	100475000	100	100167800	307200	100475000	100	0

### **ii Shareholding of Promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	RUCHI AGARWAL	5816000	5.79	0.00	5816000	5.79	0.00	0.00
2	SANDHYA AGARWAL	5375000	5.35	0.00	5375000	5.35	0.00	0.00
3	SANTOSH KUMAR AGARWAL	4644637	4.62	0.00	4644637	4.62	0.00	0.00
4	KRISHANA AGARWAL	3180000	3.16	0.00	3180000	3.16	0.00	0.00
5	GOVIND MERCANTILE PVT.LTD	3000000	2.99	0.00	3000000	2.99	0.00	0.00
6	MANISH AGARWAL	1675800	1.67	0.00	1675800	1.67	0.00	0.00
7	SANTOSH KUMAR	1000000	1.00	0.00	1000000	1.00	0.00	0.00

	AGARWAL & SONS							
8	DEEPA MITTAL	699500	0.7	0.00	699500	0.7	0.00	0.00
9	MANOJ KUMAR AGARWAL	292500	0.29	0.00	292500	0.29	0.00	0.00
	<b>TOTAL</b>	<b>25683437</b>	<b>25.56</b>	<b>0.00</b>	<b>25683437</b>	<b>0.00</b>	<b>25.56</b>	<b>0.00</b>

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

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

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase/ (Decrease) in Shareholding during the year specifying the Reason for increase / decrease			Shareholding at the End of the year	
		No. of shares	% of total shares of the company	Date	No. of Shares	Reason	No. of shares	% of total shares of the company
1	SOM PRAKASH GOENKA	3842887	3.82				3842887	3.82
2	SURENDRA KUMAR GUPTA	3232121	3.22				3232121	3.22
3	RAJNI GUPTA	2750000	2.74				2750000	2.74
4	MADHU RANI GOENKA	2750000	2.74				2750000	2.74
5	VISTA ENCLAVE PRIVATE LTD	Nil	Nil	30.10.15 06.11.15 21.11.15 27.11.15	1444569 334722 734933 185776	buy buy buy buy	2700000	2.69
6	RAJ KUMAR	1755969	1.75				1755969	1.75
7	SPICE MERCHANT PRIVATE LTD	1448794	1.44				1448794	1.44
8	SUNITA MAHESHWARI	1250000	1.24				1250000	1.24
9	ANAND MAHESHWARI	1250000	1.24				1250000	1.24
10	NARENDER KUMAR	1229250	1.22				1229250	1.22

## v) Shareholding of Directors and Key Managerial Personnel

### A. Directors

Manoj Kumar Agarwal (WHOLE TIME DIRECTOR)

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

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

### V. INDEBTEDNESS:

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

## VI. RE MUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

### B. Remuneration to other Directors:

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

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

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

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

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

**Annexure "C"**

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

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

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

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

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

**NONE**

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

**NONE**

## **ANNEXURE D**

### **MANAGEMENT DISCUSSION & ANALYSIS**

#### **ECONOMIC CONDITION**

The Company's main Object is Non-banking Finance activities. The market for this activity offers high potential for growth. India's GDP growth has been 7.6% in 2015-16 making it one of the fastest growing economies in the world. India's trade deficit came down in March 2016. The government has targeted to narrow the fiscal deficit to 3.5% in 2016-17. Consumer price inflation is also within normal range of around 5%.

The economic policy of Government has helped India to attract more FDI flows during the year compared to last year. Government initiatives, low interest rates, decline in fiscal deficit and moderate inflation have enabled the Indian economy to achieve strong growth estimates and is expected to grow at closer to 8% in 2016-17.

#### **BUSINESS OVERVIEW**

Non-Banking Finance Companies (NBFCs) are an integral part of the country's financial system because of their complementary as well as competitive role. They act as a critical link in the overall financial system catering to a large market of niche customers. All the prudential norms for asset classification, income recognition, provisioning etc., are applicable to NBFCs in India. The financial sector is expanding at a rapid pace driven by the government's pro-sector measures. Government schemes like, MUDRA, the new bankruptcy law, gold monetization scheme and debt restructuring scheme are contributing to the financial sector's growth. The RBI has also revised regulatory framework to bring operational freedom to smaller NBFCs.

#### **OPPORTUNITIES AND THREATS**

Your Company is mainly engaged in the business of Finance and Investment in Capital Market. Business opportunities for Finance Companies are enormous as the new areas and segments are being explored. There is a large scope of small size Finance & Investment Companies like ours, for certain segment of customers, which remain un-served by Banks and large size Investment & Finance Companies

The major threat being faced by Finance Companies are regulatory changes in NBFCs, Interest Rate hikes by RBI, high Inflation, and volatility in global equity and commodity market.

#### **FINANCIAL PERFORMANCE**

During 2015-16, Company streamlined and expanded its operations after an intensive assessment of emerging economic scenario. It took cognizance of evolving customer needs and designed products and services that are aligned to their aspirations. Assessing the slowdown experienced in the real-estate sector and the resultant surge in unsold inventory, it has

restricted the lending to this sector. This has resulted in a lower disbursement of loans for real-estate. The revenues were marginally lower during the year at Rs.4967708/-, compared to Rs.5141822/- during 2014- 15.

## **OUTLOOK**

Company aims to achieve a better position in selected customer products and segments; and build skills and capacity through people and technology development, while keeping risk under control. It believes in the potentials of financial services and of the opinion and offers a competitive financial products and services.

## **RISKS AND CONCERNS**

In the financial services sector, risk is an integral part of business. However it can be minimized or the probability of loss due to manifestation of such risk can be reduced to a greater extent. The Company has a team of experts to continuously evaluate trends in the economy as well as various sectors of it. It also facilitates the Board to take well informed decisions.

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

Company has put in place adequate Internal controls system to ensure efficiency in business operations, safeguarding of company's assets. Internal Audits are conducted at regular intervals to provide assurance to management that the transactions are carried out as per set policies & processes.

The Audit Committee of the Company oversees the internal audit function, risk management systems and internal controls systems over financial reporting to ensure that business is conducted effectively.

## **HUMAN RESOURCE CAPITAL**

The Company's HR framework is intensely focused on leadership development, talent management and succession planning. The Company strengthens the talent pool by providing employees with career enhancement opportunities.

## **CAUTIONARY STATEMENT**

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



## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance for the financial year ended March 31, 2016, as per the disclosure requirements prescribed in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is set out below:

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

The Company's philosophy on Corporate Governance is developed to achieve the goal of fair and transparent governance. It is based on the principle of integrity, accountability and professionalism.

The Company believes that good Corporate Governance is a continuous process and endeavors to improve the Corporate Governance practices to meet shareholder's expectations.

Company has complied with the requirements of Corporate Governance as laid down under the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and RBI directions.

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

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

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

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

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

SL NO.	NAME	DESIGNATION	REMARKS
1.	Mr. Manoj Kumar Agarwal	Executive Director/Promoter	
2.	Mrs. Seema Mittal	Woman Director and Chief Financial Officer	
3.	C.A. Rajiv Agarwal	Independent Director	
4.	Mr. Rakesh Chand Agarwal	Independent Director	
5.	CS Sudeepti Srivastava	Independent Director	
6.	C.A. Umesh Chand Khandelwal	Independent Director	<b>Resigned on 01 October 2015</b>

## DIRECTORS' PROFILE

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

## NUMBER OF BOARD MEETINGS

During the year the Board met 09 times on 28/04/2015, 12/05/2015, 30/05/2015, 26/06/2015, 31/07/2015, 23/09/2015, 28/10/2015, 31/12/2015, 12/02/2016, and the maximum gap between two board meetings was not more than 4 months.

## DIRECTORS ATTENDANCE RECORD & DIRECTORSHIP HELD

The Composition and category of the Directors on the Board, and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of Directorship and Committee Membership/Chairmanship as on 31<sup>st</sup> March, 2016 are as follows:

Name of Director	DIN	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Directorship	Committees Position		Share holding (No of Shares)
							Chairman	Member	
Mr. Manoj Kumar Agarwal	01767926	Executive Director/Promoter	09	06	NO	02	NIL	02	292500
Mrs. Seema Mittal	06948908	Executive Director	09	07	YES	NIL	NIL	01	NIL
Mr. Santosh Kumar Agarwal*	00392309	Non-Executive Director/Promoter	09	03	NO	02	NIL	NIL	4644637
C.A. Rajiv Agarwal	03445523	Independent Director	09	04	NO	NIL	01	01	NIL
Mr. Rakesh Chand Agarwal	03539915	Independent Director	09	08	No	NIL	02	01	NIL
CA Umesh Chand Khandelwal#	02121893	Independent Director	09	03	NO	01	NIL	NIL	NIL
CA Vivek Khanna** Director	06737188	Independent Director	09	03	NO	NIL	NIL	NIL	NIL
CS Sudeepti Srivastava @	06979356	Independent Director	09	00	NO	NIL	NIL	01	NIL

Note: \*Mr. Santosh Kumar Agarwal - Resigned on 30 May 2015

\*\*C.A. Vivek Khanna - Resigned on 30 May 2015

# CA Umesh Khandelwal- Resigned on 01 October 2015

@ CS Sudeepti Srivastava – Appointed on 31<sup>st</sup> December 2015

### **MEETING OF INDEPENDENT DIRECTORS:**

During the year under review, the Independent Directors met once on March 29, 2016, *inter alia*, to:

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

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

### **FAMILIARIZATION PROGRAM**

At the time of appointment a formal letter is issued to the Director, which explains the roles, rights and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, Clause 49 of the Listing Agreement, Code of Conduct, Prohibition of Insider Trading Code, RBI directions and other relevant regulations.

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

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

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

### **A. AUDIT COMMITTEE**

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

Brief descriptions of Terms of reference are as under:

- I. Review of financial statements before they are submitted to the Board for adoption;
- II. Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the Auditors;
- III. Review of quarterly , half Yearly and yearly financial statements and Audit Report before they are presented to the Board , focusing *inter alia* upon:
  - Accounting Policies and any changes thereto;
  - Ensuring Compliance with the Accounting Standards
  - Compliance with the Laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the Preparation and disclosure of financial Statements:
  - Significant issues arising out of Audit:
  - The Going concern assumption;
  - Major accounting entries based upon exercise of judgment by the management;
  - Any related party transactions i.e. transactions of the Company of Material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with interest of the Company at large

- Matters required to be included in the Director’s Responsibility Statement to be included in the Board ‘ s Report in term of clause ( c ) of Sub- section 3 of section 314 of the Companies Act, 2013
- IV. Review with the management and auditors the adequacy of internal control systems;
- V. Discussions with the Statutory Auditors before commencement of the Audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- VI. Review of the Company’s financial and risk management policies;  
Examine reasons for default in payment of interest and repayment of principal amounts to depositors and debenture holders, payment of dividend, payments to creditors and payment of all statutory dues in the prescribed time period;
- VII. Investigating the reasons for substantial defaults, if any, in the payments to the depositors, shareholders (in case of non- payment of declared dividends) and creditors;
- VIII. Review and monitor auditor’s independence and performance and effectiveness of the audit process;
- IX. Scrutiny of inter corporate loans & investments;
- X. Valuation of undertaking and assets;
- XI. Monitoring of end use of funds of the public offers;
- XII. Audit Committee to call for comments of the Auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the board;
- XIII. Adequate safeguards against victimization of person who use vigil Mechanism and make provision for direct access to the CEO/Chairman of the Audit Committee in appropriate or exceptional cases;
- XIV. Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- XV. Approval of appointment of CFO (i.e. the whole-time Finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- XVI. Any other terms of references as may be included from time to time in clause 49 of the Listing Agreement;

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

The Audit Committee comprises of:

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

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

### Meetings of the Audit Committee

5 (five) Audit Committee were held on **May 11, 2015, May 29, 2015, July 31, 2015, October 27, 2015, and February 11, 2016**. During The Financial Year and the Gap between does not exceed one Hundred and Twenty days.

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr.Rajiv Agarwal	Independent	Chairman	05	04
Mr.Rakesh Chand Agarwal	Independent	Member	05	05
Mr.Manoj Kumar Agarwal	Non-Independent	Member	05	03

### B. NOMINATION & REMUNERATION COMMITTEE

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

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

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

#### Composition, Name of Members and Chairman

Committee was reconstituted on 31<sup>st</sup> December, 2015 as its erstwhile member CA Umesh Khandelwal resigned on 01<sup>st</sup> October, 2015.

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

#### Meetings of Nomination and Remuneration Committee

The Nomination and Remuneration Committee met twice during the year on May 11, 2015, and December 30, 2015.

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

### **Nomination and Remuneration Policy**

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

### **Remuneration to the Directors**

The details of sitting fees/remuneration paid to Directors during the FY 2015-16, are as under:

<b>SL NO</b>	<b>Name and designation</b>	<b>Salary</b>	<b>Other Benefits</b>	<b>Total</b>
1.	Mr. Manoj Kumar Agarwal Whole Time Director	Nil	Nil	Nil
2.	Mr. Santosh Kumar Agarwal Non-Executive Director	Nil	Nil	Nil
3.	C.A. Rajiv Agarwal Independent Director	Nil	Nil	Nil
4.	Mr. Rakesh Chand Agarwal Independent Director	Nil	Nil	Nil
5.	Mrs. Seema Mittal CFO cum Director	Rs.180000/-	Nil	Rs.180000/-
6.	CA Umesh Chand Khandelwal Director	Nil	Nil	Nil
7.	CA Vivek Khanna Director	Nil	Nil	Nil
8.	CS Sudeepti Srivastava	Nil	Nil	Nil

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

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

The Company has framed Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Committees and other individual Directors. Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the Evaluation of the Chairman.

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

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

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

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

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

**Composition, Name of Members and Chairman**

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

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

The Committee met four times during the year on May 29, 2015, July 30, 2015, October 27, 2015 and January 08, 2016.

SI No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. Rakesh Chand Agarwal	Independent	Chairman	04	04
2.	Mr. Manoj Kumar Agarwal	Non-Independent	Member	04	03
3.	Mrs. Seema Mittal	Non-Independent	Member	04	03

**Investor Grievance Redressal**

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

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

**D. RISK MANAGEMENT COMMITTEE**

The Board has constituted Risk Management Committee to manage integrated risks associated with the Company.

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

- Carry out responsibilities as assigned by the Board.
- Monitor and Review Risk Management Plan as approved by the Board.

- Review and Recommend Risk Assessment Report and Risk Management Report for approval of the Board.
- Ensure that appropriate system of risk management is in place.
- Oversee recent developments in the Company and periodic updating of Company's Enterprise Risk Management Program for assessing, monitoring and mitigating the risks.
- Periodically, but not less than annually, review the adequacy of the Company's resources to perform its risk management responsibilities and achieve objectives.

#### Composition

The Risk Management Committee is led by the Independent Director of the Company and comprises the following:

Sl No.	Name	Category	Designation
1.	Mr. Umesh Chand Khandelwal	Independent	Chairman
2.	Mr. Vivek Khanna	Independent	Member
3.	Mrs. Seema Mittal	Non-Independent	Member

#### Meetings of Risk Management Committee

During the year under review, the Risk Management Committee met once on May 29, 2015.

The provision of the formation of Risk Management Committee is applicable only to 100 Companies by market capitalization. Therefore, after resignation of CA Umesh Khandelwal on 01<sup>st</sup> October, 2015 Committee is discontinued.

SL No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. Umesh Chand Khandelwal	Independent	Chairman	01	01
2.	Mr. Vivek Khanna	Independent	Member	01	01
3.	Mrs. Seema Mittal	Non-Independent	Member	01	01

#### 4. GENERAL BODY MEETINGS

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

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2012-2013	27/09/2013	B-32 APMC Market-1, Phase-II, Sector-19 Vashi, Navi Mumbai-400705	11:00 A.M.
2013-2014	26/09/2014	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road, Andheri (East), Mumbai-400069	11:30 A.M.
2014-2015	28/09/2015	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road, Andheri (East), Mumbai-400069	01:00 P.M.

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

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



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

The Company has not passed any resolution through postal ballot process during the financial year 2015-16.

## **5. DISCLOSURES**

### **i. Related Party Transactions**

During the Financial Year 2015-16, Company has not entered into any material transactions with any of the related parties. The related parties transactions entered into with the related parties as defined under Companies Act, 2013 and regulation 23 of SEBI (LODR) .The Board has approved a policy for related party transactions which has been uploaded on the Company's website i.e. on [www.sulabh.org.in](http://www.sulabh.org.in)

### **ii. Strictures and Penalties**

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

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

BSE has suspended trading in the securities of the Company w.e.f. 07 January 2015 pursuant to directions received from SEBI as a surveillance measure until further notice.

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

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

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

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

### **vi. Status of Adoption of Mandatory requirements of erstwhile Clause 49 of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Company has complied with all mandatory requirements of erstwhile Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

### **vii. Code of Conduct**

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

## **6. MEANS OF COMMUNICATION**

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

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

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

## **8. GENERAL SHAREHOLDER INFORMATION**

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

- Day: Friday
- Date: 16/09/2016
- Time: 01:00 P.M.
- Venue: 206, 2<sup>nd</sup> Floor, Apollo Complex  
Premises Cooperative Society Ltd., R .K. Singh Marg office,  
Parsi Panchayat Road, Andheri (East), Mumbai-400069

### **II. Financial Year**

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

### **III. Date of Book closure:**

- The Books will remain closed from Saturday, September 10, 2016 to Friday, September 16, 2016.

### **IV. Dividend payment date:**

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

### **V. Listing on Stock Exchange:**

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

### **VI. Stock Code and other related information:**

<b>BSE LIMITED</b>	<b>ISIN</b>	<b>CIN</b>
508969	INE673M01029	L28920MH1983PLC029879

### **VII. Marker Price:**

As trading in the stock of Company of was suspended w.e.f. 07<sup>th</sup> January, 2015, no Month wise Market price is available.

### **VIII. Registrar and Transfer Agent:**

**M/S Skyline Financial Services Private Limited**

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

### **IX. 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 31<sup>st</sup> March 2016

Distribution of Shareholding as on 31<sup>st</sup> March, 2016

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

Share or Debenture holding Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount	% to Total Amount
(Rs.)			(Rs.)	
1	2	3	4	5
Up To 5,000	280	38.57	423979	0.42
5001 To 10,000	119	16.39	970212	0.97
10001 To 20,000	86	11.85	1325387	1.32
20001 To 30,000	54	7.44	1362703	1.36
30001 To 40,000	20	2.75	723835	0.72
40001 To 50,000	20	2.75	904948	0.9
50001 To 1,00,000	40	5.51	2948000	2.93
1,00,000 and Above	107	14.74	91815936	91.38
<b>Total</b>	<b>726</b>	<b>100</b>	<b>100475000</b>	<b>100</b>

**XI. Dematerialization of Shares and Liquidity:**

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

**XII. Address for correspondence:**

- Regd Office- 206, 2<sup>nd</sup> Floor, Apollo Complex  
Premises Cooperative Society Ltd., R .K. Singh Marg office, Parsi Panchayat Road, Andheri (East), Mumbai-400069
- Corporate Office 17/11 The Mall, Kanpur 208001

**XIII. CEO Certification:**

- In terms of the requirements of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO have submitted necessary certificate to the Board at its meeting held on 30/05/2016 stating the particulars specified under the said clause.

**CORPORATE SOCIAL RESPONSIBILITY**

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



**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

**Sulabh Engineers and Services Limited**

We have examined the companies of conditions of Corporate Governance by Sulabh Engineers and Services Ltd, for the year ended on 31<sup>st</sup> March 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange

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

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

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

For SATISH SONI & CO.  
Chartered Accountants

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

Date: 30 May 2016  
Place: Mumbai

## **Nomination and Remuneration Policy**

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

### **1.1 Objectives**

The Policy lays down the:

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

### **1.2 Definitions**

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

### **1.3 Interpretation**

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

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

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

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

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

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

**iii. Removal:**

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

**iv. Retirement:**

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

**1.5 Disqualifications for Appointment of Directors**

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

**1.6 Remuneration Policy**

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

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

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

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

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

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

**1.7 Deviations from the Policy**

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

**1.8 Amendments**

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



**INDEPENDENT AUDITOR'S REPORT**

To,  
The Members,  
SULABH ENGINEERS & SERVICES LIMITED

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SULABH ENGINEERS & SERVICES LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
- 2) As required by section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of sub section (2) of Section 164 of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Satish Soni & Co.  
Chartered Accountants

Satish Soni  
Proprietor  
FRN: 109333w  
M. No. 044391

Place: MUMBAI  
Date: 30/05/2016



PART I - BALANCE SHEET			
Name of the Company : SULABH ENGINEERS & SERVICES LIMITED			
Balance Sheet as at 31 March, 2016			(In Rupees)
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	100,475,000.00	100,475,000.00
(b) Reserves and surplus	3	122,096,939.00	117,129,232.00
		222,571,939.00	217,604,232.00
<b>(2) Current liabilities</b>			
(a) Short Term Borrowings	4	-	1,279,961.00
(b) Other current liabilities	5	469,706.00	363,933.00
(c) Short Term Provisions	6	3,667,374.00	2,485,176.00
		4,137,080.00	4,129,070.00
<b>TOTAL</b>		<b>226,709,020.00</b>	<b>221,733,302.00</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	7	667,236.00	1,029,615.00
(b) Non-current Investments	8	39,865,920.00	38,171,519.00
(c) Long-term loans and advances	9	171,560,580.00	175,867,845.00
(d) Deferred Tax Assets (Net)	20	196,928.00	162,221.00
		212,290,664.00	215,231,200.00
<b>(2) Current assets</b>			
(a) Cash and cash equivalents	10	10,769,808.00	4,207,845.00
(b) Short-term loans and advances	11	3,448,995.00	1,647,383.00
(c) Other current assets	12	199,553.00	646,874.00
		14,418,356.00	6,502,102.00
<b>TOTAL</b>		<b>226,709,020.00</b>	<b>221,733,302.00</b>
Summary of Significant accounting policies 1			
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
<b>For Satish Soni &amp; Co.</b>		<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants			
FRN : 109333w			
Satish Soni Proprietor M.No 44391 Place : Mumbai Date : 30/05/2016		Director Rajiv Agarwal DIN: 03445523  CFO Seema Mittal	
		Director Rakesh Chand Agarwal DIN: 03539915  Company Secretary Diwaker Dubey	

PART II - STATEMENT OF PROFIT AND LOSS			
Name of the Company : SULABH ENGINEERS & SERVICES LIMITED			
Statement of Profit & Loss for the year ended 31st March 2016			(In Rupees)
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations (net)	13	10,051,617	10,804,242
II. Other Income	14	4,705	4,287
<b>III. Total revenue (I+II)</b>		<b>10,056,322</b>	<b>10,808,529</b>
IV. Expenses			
1. Employee benefits expense	15	827,500	957,375
2. Depreciation and amortisation expense	7	365,979	591,115
3. Finance Cost	16	15,952	231,325
4. Other expenses	17	1,713,890	1,466,828
<b>Total expenses (1 - 4)</b>		<b>2,923,321</b>	<b>3,246,642</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		7,133,001	7,561,887
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		7,133,001	7,561,887
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		7,133,001	7,561,887
X. Tax expense:			
(1) Current tax		2,200,000	2,500,000
(2) Deferred tax		(34,707)	(79,935)
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		4,967,708	5,141,822
XII. Profit/(loss) from discontinuing operations		Nil	Nil
XIII. Tax expense of discontinuing operations		Nil	Nil
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		Nil	Nil
XV. Profit (Loss) for the period (XI + XIV)			
XVI. Earnings per equity share			
(1) Basic		0.05	0.05
(2) Diluted		0.05	0.05
Summary of Significant accounting policies	1		
The accompanying notes are an integral part of the financial statements			
As per our report of even date For Satish Soni & Co.		For and on behalf of the Board of Directors	
Chartered Accountants FRN : 109333w			
Satish Soni Proprietor M.No 44391 Place : Mumbai Date : 30/05/2016		Director Rajiv Agarwal DIN: 03445523  CFO Seema Mittal	
		Director Rakesh Chand Agarwal DIN: 03539915  Company Secretary Diwaker Dubey	

**SULABH ENGINEERS & SERVICES LIMITED**

**Cash Flow Statement for the year ended March 31, 2016**

Particulars	As at March 31, 2016	As at March 31, 2015
<b>A) Cash flow from operating activities</b>		
Net Profit before tax	7,133,001	7,561,887
<b><u>Adjustments for:</u></b>		
Depreciation and amortization	365,979	591,115
Operating profit / (loss) before working capital changes	<b>7,498,980</b>	<b>8,153,002</b>
<b><u>Changes in working capital:</u></b>		
Decrease/(increase) in long-term loans & advances	4,307,265	-5,717,629
Decrease/(increase) in short-term loans & advances	-1,801,612	624,730
Decrease/(increase) in Other non-current assets	447,321	-208,562
Increase/(decrease) in Other current liabilities	-1,174,188	1,154,905
Increase/(decrease) in long-term provisions		-221,426
Increase/(decrease) in Short-term provisions	1,182,198	-60,273
Cash generated from operations	<b>10,459,964</b>	<b>3,727,747</b>
Net income tax (paid) / refunds	-2,200,000	-2,500,000
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>8,259,964</b>	<b>1,224,747</b>
<b>B) Cash flow from financing activities</b>	Nil	Nil
<b>Net cash flow from / (used in) financing activities (B)</b>	<b>Nil</b>	<b>Nil</b>
<b>C) Cash flow from investing activities</b>		
Purchase of fixed assets, including capital wip	-3,600	-55,000
Purchase of non-current investments	-1,694,401	-5,510,872
<b>Net cash flow from / (used in) investing activities (C)</b>	<b>-1,698,001</b>	<b>-5,565,872</b>
<b>D) Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	6,561,963	-4,341,126
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>4,207,845</b>	<b>8,548,970</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>10,769,808</b>	<b>4,207,845</b>
<b>Components of Cash &amp; Cash Equivalents (As per Note : 10 )</b>		
Cash on Hand	21,712	39,682
Balance with Banks		
- In Current Accounts	749,096	Nil
- In Deposit Accounts	9,999,000	4,168,163
<b>Total Cash &amp; Cash Equivalents</b>	<b>10,769,808</b>	<b>4,207,845</b>

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

As per our report of even date

**For Satish Soni & Co.**

For and on behalf of the Board

Chartered Accountants

FRN : 109333w

Satish Soni

Proprietor

M.No 44391

Place : Mumbai

Date : 30/05/2016

Director

Rajiv Agarwal

DIN: 03445523

CFO

Seema Mittal

Director

Rakesh Chand Agarwal

DIN: 03539915

Company Secretary

Diwaker Dubey

**Significant Accounting Policies and Notes on Accounts**

Note	Particulars
1	<p data-bbox="168 226 493 256"><b>A Corporate Information</b></p> <p data-bbox="240 260 1520 386">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 data-bbox="168 424 574 453"><b>B Significant accounting policies</b></p> <p data-bbox="168 457 899 487"><b>a) Basis of accounting and preparation of financial statements</b></p> <p data-bbox="240 529 1520 718">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 recognized in the periods in which the results are known / materialize.</p> <p data-bbox="240 751 1520 814">The company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve bank of India (RBI) for non-deposit taking Non-banking Finance Companies (NBFC-ND)</p> <p data-bbox="168 848 428 877"><b>b) Use of estimates</b></p> <p data-bbox="240 919 1520 1108">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 recognized in the periods in which the results are known / materialize.</p> <p data-bbox="168 1142 477 1171"><b>c) Revenue recognition</b></p> <p data-bbox="240 1176 428 1205"><u>Interest Income:</u></p> <p data-bbox="240 1209 1520 1302">Interest income is recognized and accounted on accrual basis as per the agreed terms except in case of Non Performing Assets outstanding for more than 90 days, which is recognized on receipt basis, as per NBFC Prudential Norms.</p> <p data-bbox="240 1306 396 1335"><u>Other income</u></p> <p data-bbox="240 1339 1520 1402">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 is accounted on accrual basis.</p> <p data-bbox="168 1436 672 1465"><b>d) Tangible fixed assets and Depreciation</b></p> <p data-bbox="240 1470 1520 1533">Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any other attributable costs of bringing the assets to their working condition for the intended use.</p> <p data-bbox="240 1591 1520 1654">With effect from April 1, 2014, the Company has followed useful lives of tangible assets as prescribed by Schedule II to the Companies Act, 2013 and depreciation for the current periods has been provided accordingly.</p> <p data-bbox="168 1709 428 1738"><b>e) Intangible assets</b></p> <p data-bbox="240 1743 1520 1869">Intangible assets are carried at cost less accumulated amortization 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>

<b>f)</b>	<p><b>Valuation of Inventories</b> Lower of cost and net realizable value.</p>
<b>g)</b>	<p><b>Segment reporting</b> The Company considers business segments as its primary segment. The Company's operations are predominantly related to lending &amp; related activities and accordingly, this is the only primary reportable segment. The Company considers geographical segments as its secondary segment. The Company's operations are predominantly within India and accordingly, this is the only secondary reportable segment.</p>
<b>h)</b>	<p><b>Earnings per share</b> Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.  For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.</p>
<b>i)</b>	<p><b>Taxes on income</b> Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.  Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized 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 recognized 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 recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.</p>
<b>j)</b>	<p><b>Foreign currency transactions and translations</b> <u>Initial recognition</u> Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.  <u>Measurement of foreign currency monetary items at the Balance Sheet date</u>  Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.  In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p>

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognized 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.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalized as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortized on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortized balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

**k) 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.

**l) Government grants and subsidies**

Grants and subsidies are recognized 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.

**m) 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.

**n) Provisioning/ write-off of assets**

Nonperforming 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 as specified in the notification DNBR (PD) CC.No.002/03.10.001/2014-15 issued by Reserve Bank of India.

**o) 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 recognize a decline, other than temporary, in the value of the investments.

<b>Note 2 Share capital</b>		
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>(a) Authorized</b>		
11,00,00,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -11,00,00,000 Equity shares of Rs. 1/- each with voting rights)	110,000,000	110,000,000
<b>(b) Issued, Subscribed and fully paid up</b>		
10,04,75,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -10,04,75,000 Equity shares of Rs. 1/- each with voting rights)	100,475,000	100,475,000
<b>Total</b>	<b>100,475,000</b>	<b>100,475,000</b>

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

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

<b>Particulars</b>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>No. of Shares</b>	<b>Amount-Rs</b>	<b>No. of Shares</b>	<b>Amount-Rs</b>
Number of shares at the beginning	100,475,000	100,475,000	100,475,000	1,004,750,000
Add: Shares issued during the year	Nil	Nil	Nil	Nil
<b>Number of shares at the end</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>1,004,750,000</b>

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

<b>Name of Shareholders</b>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
Ruchi Agarwal	5,816,000	5.79%	6,000,000	5.97%
Sandhya Agarwal	5,375,000	5.35%	5,400,000	5.37%
<b>Number of shares at the end</b>	<b>11,191,000</b>	<b>11.14%</b>	<b>11,400,000</b>	<b>11.35%</b>

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Note 3 Reserves and surplus</b>		
<b>a. Securities Premium Account</b>		
Opening balance	98,000,000	98,000,000
Add: Profit / (Loss) for the year	Nil	Nil
Closing Balance	98,000,000	98,000,000
<b>b. Special Reserve under Section 45-IC of RBI Act, 1934</b>		
Opening balance	2,621,743	1,593,379
Add: Transfer during the year	993,542	1,028,364
Closing Balance	3,615,285	2,621,743
<b>c. General Reserve</b>		
Opening balance	2,401,244	2,401,244
Add: Any other Adjustments	Nil	Nil
Closing Balance	2,401,244	2,401,244
<b>d. Surplus</b>		
Opening balance	14,106,245	9,992,787
Add: Net Profit for the Year	4,967,708	5,141,822
Less: Transfer to Reserve u/s 45-IC of RBI Act, 1934 (Being 20% of profits after tax for the period)	993,542	1,028,364
Closing Balance	18,080,411	14,106,245
<b>Total</b>	<b>122,096,940</b>	<b>117,129,232</b>
<b>Note 4 Short-Term Borrowings (Secured)</b>		
Bank Overdraft (Secured against pledge of Fixed Deposits)	-	1,279,961
	-	<b>1,279,961</b>
<b>Note 5 Other current liabilities</b>		
Other payables		
(i) Statutory remittances		
TDS payables	32,933	20,726
(ii) Other Payables	436,773	343,207
	<b>469,706</b>	<b>363,933</b>
<b>Note 6 Short Term Provisions</b>		
Provision for Tax	3,173,537	2,056,697
Provision for Standard Assets	493,837	428,479
	<b>3,667,374</b>	<b>2,485,176</b>



**Note 7 Fixed assets**

(Amount-Rs)

Assets	Gross block			Accumulated depreciation and impairment			Net Block	
	Figures as at the beginning of current reporting period	Additions during the current reporting period	Figures as at the end of current reporting period	Figures as at the beginning of current reporting period	Depreciation / amortization expense during the current reporting period	Figures as at the end of current reporting period	Figures as at the end of current reporting period	Figures as at the beginning of current reporting period
<b>Tangible Assets-Owned</b>								
Motor Cars	2,200,789	-	2,200,789	1,303,868	307,672	1,611,540	589,249	896,921
Motor Cycles	102,373	-	102,373	35,614	18,332	53,946	48,427	66,759
Furniture	13,500	-	13,500	1,245	3,172	4,417	9,083	12,255
Computers	188,992	3,600	192,592	135,312	36,803	172,115	20,477	53,680
<b>TOTAL</b>	<b>2,505,654</b>	<b>3,600</b>	<b>2,509,254</b>	<b>1,476,039</b>	<b>365,979</b>	<b>1,842,018</b>	<b>667,236</b>	<b>1,029,615</b>
Previous Year	<b>2,450,654</b>	<b>55,000</b>	<b>2,505,654</b>	<b>884,924</b>	<b>591,115</b>	<b>1,476,039</b>	<b>1,029,615</b>	<b>1,565,730</b>
<p>NOTE: With effect from April 1, 2014, the Company has followed useful lives of tangible assets as prescribed by Schedule II to the Companies Act, 2013 and depreciation for the current periods has been provided accordingly.</p>								

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Note 8 Non-current Investments</b>		
<b>Long term Investments - Non Trade</b>		
<b>In Fully paid up equity shares -Unquoted</b>		
<b>- In Subsidiaries</b>		
Rodic Coffee Estates Private Limited (25,50,000 Eq. Shares, Previous Year - 25,50,000 Eq. Shares )	25,500,000	25,500,000
<b>In Mutual Funds -</b>		
Birla Sunlife Mutual Fund	1,000,000	1,000,000
Reliance Fixed Horizon Fund	-	5,000,000
IIFL Wealth Management Ltd	5,510,872	5,510,872
IIFL Real Estate Discretionary PMS (AMC)	6,662,185	-
Prudential Asset Management	622,213	589,997
<b>In Gold Coins</b>	570,650	570,650
	<b>39,865,920</b>	<b>38,171,519</b>
Aggregate market value of unquoted investments	39,865,920	38,171,519
<b>Note 9 Long-term loans and advances</b>		
Loans & Advances towards financing activities - Unsecured	164,612,410	170,684,845
Advance for capital goods	6,948,170	5,183,000
-	<b>171,560,580</b>	<b>175,867,845</b>
<b>Note 10 Cash and cash equivalents</b>		
<u>Cash on hand</u>	21,712	39,682
<u>Balance with Scheduled Bank</u>		
In Current Accounts	749,096	Nil
In Fixed Deposits	9,999,000	4,101,127
<u>Other Bank Balances</u>		
Unpaid Dividend Account	-	67,036
Cheques in hand	Nil	Nil
	<b>10,769,808</b>	<b>4,207,845</b>
<b>Note 11 Short-term loans and advances</b>		
Balances with Government Authorities	-	-
Advance tax & TDS	3,290,262	1,491,232
Security Deposit	150,000	150,000
Other loans and advances		
Advance to staff	Nil	Nil
Advance to Suppliers / Others	8,733	6,151
-	<b>3,448,995</b>	<b>1,647,383</b>
<b>Note 12 Other current assets</b>		
Unamortized Share Issue Expenses & Preliminary Expenses	146,939	304,150
Interest Accrued on Fixed Deposit Account	52,614	342,724
Interest Accrued on Loans	Nil	Nil
<b>50</b>	<b>199,553</b>	<b>646,874</b>

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Note 13 Revenue from operations</b>		
Interest on loans & advances under financing activities	7,567,355	9,528,536
Profit on sale of Investments	1,013,348	232
Interest on Debentures	1,385,835	821,147
Dividend on Mutual Funds	85,079	30,313
Excess provision for standard assets written back	-	424,014
<b>Total Revenue from operations</b>	<b>10,051,617</b>	<b>10,804,242</b>
<b>Note 14 Other income</b>		
Others	4,705	4,287
<b>Total Revenue from operations</b>	<b>4,705</b>	<b>4,287</b>
<b>Note 15 Employee benefits expense</b>		
Salaries and wages	647,500	742,000
Directors' Remuneration	180,000	202,500
Staff Welfare	-	12,875
<b>Total</b>	<b>827,500</b>	<b>957,375</b>
<b>Note 16 Finance Cost</b>		
Interest	13,184	229,629
Bank Charges	2,768	1,696
<b>Total</b>	<b>15,952</b>	<b>231,325</b>
<b>Note 17 Other expenses</b>		
Advertisement	240,259	156,598
Annual Fees - Stock Exchange	224,720	127,110
Communication Expenses	17,583	7,733
CDSL N NSDL	108,750	73,034
Donation	-	102,000

Filing Fee	7,240	21,890
Insurance	48,800	32,335
Legal and professional Charges	235,645	103,469
Miscellaneous expenses	38,587	114,668
Payments to auditors	-	
<i>Audit Fees</i>	86,250	75,000
<i>Certification Charges</i>	-	-
<i>Service Tax</i>	-	9,270
Postage & Telegram	19,562	5,520
Printing and stationery	25,608	27,363
Provision for Sub-standard Assets	65,358	Nil
Rent	347,175	260,000
Repairs and maintenance - Vehicle	-	10,150
Share issue & Preliminary Expenses W/off	146,104	146,104
Travelling and conveyance	102,249	194,584
<b>Total</b>	<b>1,713,890</b>	<b>1,466,828</b>
<b>Note 18 Contingent liabilities</b>	Nil	Nil
<b>Note 19 Dues to Micro, Small and Medium Enterprises</b>		
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	Nil	Nil

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Note 20 Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Liability on account of difference in     Depreciation as per tax books and financial books</b>	<b>196,928</b>	162,221
<b>Note 21 Expenditure in foreign currency</b>	Nil	Nil

<b>Note 22 Earnings in foreign exchange</b>	<b>Nil</b>	<b>Nil</b>
<b>Note 23 Employee benefits</b>	<b>Nil</b>	<b>Nil</b>

<b>Note 24 Related party transactions</b>	
<b>Description of relationship</b>	<b>Names of related parties</b>
<b>Key Management Personnel (KMP)</b>	Manoj Kumar Agarwal - WTD & Chairman Seema Mittal - Director, CFO Rajiv Agarwal - Director Rakesh Chand Agarwal - Director Sudeepti Srivastava- Additional Director
<b>Subsidiary Company</b>	Rodic Coffee Estates P Ltd

Note: Related parties have been identified by the Management.

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

<b>Particulars</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
<b>Directors' Remuneration</b>		
Manoj Kumar Agarwal	-	90,000
Seema Mittal	180,000	112,500

**Note 25 Previous year's figures**

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

As per our report of even date

**For Satish Soni & Co.**

Chartered Accountants  
FRN : 109333w

Satish Soni  
Proprietor  
M.No. 44391

Place : Mumbai  
Date : 30/05/2016

Director  
Rajiv Agarwal  
DIN: 03445523

CFO  
Seema Mittal

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

Director  
Rakesh Chand Agarwal  
DIN: 03539915

Company Secretary  
Diwaker Dubey

**Report on the Consolidated Financial Statements**

To,  
The Members,  
SULABH ENGINEERS & SERVICES LIMITED

We have audited the accompanying consolidated financial statements of SULABH ENGINEERS & SERVICES LIMITED (“the Holding Company”) and its subsidiary (Collectively referred to as “the Company” or “the Group”) which comprises the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Financial Statements”).

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

The Holding Company’s Board of Directors is responsible for preparation of the Consolidated financial statements in terms of the requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated Financial Statements by the Directors of Holding Company, as aforesaid.

**Auditor’s Responsibility**

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

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

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date

**Report on Other Legal and Regulatory Requirements**

1) As required by section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the aforesaid consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March 2016 and taken on record by the Board of Directors of the Holding Company and the report of the auditors of the subsidiary company incorporated in India, none of the directors of the group companies incorporated in India is disqualified as on 31st March 2016 from being appointed as a director in terms of sub section (2) of Section 164 of the Companies Act, 2013.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Group does not have any pending litigations which would impact its financial position.

ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and subsidiary company incorporated in India.

**For Satish Soni & Co.  
Chartered Accountants**

**Satish Soni  
(Proprietor)  
FRN: 109333w  
M. No. 044391**

Place: MUMBAI  
Date: 30/05/2016

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of SULABH ENGINEERS & SERVICES LIMITED ("the holding company") and its subsidiary company which are companies incorporated in India, as of the date;

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

The respective Board of Directors of the Holding company and its Subsidiary Company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Satish Soni & Co.  
Chartered Accountants**

**Satish Soni  
Proprietor  
FRN: 109333w  
M. No. 044391**

Place: MUMBAI  
Date: 30/05/2016

## PART I - BALANCE SHEET

Consolidated Balance Sheet as at 31 March, 2016

(In Rupees)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	100,475,000	100,475,000.00
(b) Reserves and surplus	3	124,479,899	119,218,021.00
(c) Minority Interest		26,789,509	26,506,874.00
		251,744,408	246,199,895.00
<b>(2) Non-Current Liability</b>			
(a) Long Term Borrowing	4	97,480,277	97,437,163.00
<b>(3) Current liabilities</b>			
(a) Short Term Borrowings	5	-	1,279,961.00
(b) Other current liabilities	6	2,011,220	1,369,380.00
(c) Short Term Provisions	7	3,667,374	2,703,121.00
		5,678,594	5,352,462.00
<b>TOTAL</b>		<b>354,903,279</b>	<b>348,989,520.00</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	197,297,132	198,141,280.00
(b) Non-current Investments	9	14,365,920	12,081,522.00
(c) Long-term loans and advances	10	85,065,580	89,962,842.00
(d) Deferred Tax Assets (Net)		161,834	149,573.00
		296,890,466	300,335,217.00
<b>(2) Current assets</b>			
(a) Inventories	11	41,367,021	35,362,655.00
(a) Trade Receivables	12	86,358	-
(a) Cash and cash equivalents	13	12,907,088	10,997,391.00
(b) Short-term loans and advances	14	3,452,793	1,647,383.00
(c) Other current assets	15	199,553	646,874.00
		58,012,813	48,654,303.00
<b>TOTAL</b>		<b>354,903,279</b>	<b>348,989,520.00</b>

Summary of Significant accounting policies

1

The accompanying notes are an integral part of the financial statements As per our report of even date

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

Satish Soni  
Proprietor  
M.No 44391  
Place : Mumbai  
Date : 30/05/2016

Director  
Rajiv Agarwal  
(DIN:03445523)  
  
CFO  
Seema Mittal

For and on behalf of the Board of Directors

Director  
Rakesh Chand Agarwal  
(DIN:03539915)  
  
Company Secretary  
Diwaker Dubey

## PART II - STATEMENT OF PROFIT AND LOSS

Name of the Company : SULABH ENGINEERS &amp; SERVICES LIMITED

Consolidated Statement of Profit & Loss for the year ended 31st March 2016  
(In Rupees)

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I. Revenue from operations (net)	16	20,683,432	18,547,547
II. Other Income	17	323,178	510,051
<b>III. Total revenue (I+II)</b>		<b>21,006,610</b>	<b>19,057,598</b>
IV. Expenses			
1.(increase)/decrease in Inventories of Finished Goods		(6,004,366)	(7,643,549)
2. Employee benefits expense	19	7,338,723	7,384,581
3. Depreciation and amortisation expense	8	847,749	1,205,744
4. Finance Cost	20	7,264,963	6,346,158
5. Other expenses	21	4,045,233	3,570,040
<b>Total expenses (1 - 5)</b>		<b>13,492,302</b>	<b>10,862,974</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		7,514,308	8,194,624
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		7,514,308	8,194,624
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		7,514,308	8,194,624
X. Tax expense:			
(1) Current tax		2,200,000	2,717,945
(2) Deferred tax		(12,261)	(42,352)
(3) Income Tax of Previous Year		(217,945)	44,110
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		5,544,514	5,474,921
XII. Profit/(loss) from discontinuing operations		Nil	Nil
XIII. Tax expense of discontinuing operations		Nil	Nil
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		Nil	Nil
XV. Profit (Loss) for the period (XI + XIV)		5,544,514	5,474,921
XVI. Earnings per equity share			
(1) Basic		0.06	0.05
(2) Diluted		0.06	0.05
Summary of Significant accounting policies	1		
As per our report of even date			
For Satish Soni & Co. Chartered Accountants (FRN : 109333w)		For and on behalf of the Board of Directors	
Satish Soni Proprietor M.No 44391		Rakesh Chand Agarwal (DIRECTOR) (DIN:03539915)	
Place : Mumbai Date : 30/05/2016		Company Secretary Diwaker Dubey	
		CFO Seema Mittal	

<b>Cash Flow Statement for the year ended March 31, 2016</b>		
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>A) Cash flow from operating activities</b>		
Net Profit before tax	7,514,308	8,194,625
<b><u>Adjustments for:</u></b>		
Depreciation and amortization	847,749	1,205,744
Operating profit / (loss) before working capital changes	<b>8,362,057</b>	<b>9,400,369</b>
<b><u>Changes in working capital:</u></b>		
Decrease/(increase) in inventories	-6,004,366	-6,916,111
Decrease/(increase) in Trade Receivables	-86,358	231,954
Decrease/(increase) in long-term loans & advances	4,897,262	-52,17,629
Decrease/(increase) in short-term loans & advances	-6,380	10,86,590
Decrease/(increase) in Other Current Assets	447,321	-2,08,562
Increase/(decrease) in Other Current Liabilities	641,840	-
Increase/(decrease) in Short-term provisions	65,358	-1,226,011
Cash generated from operations	<b>8,316,734</b>	<b>-2,849,400</b>
Net income tax (paid)/Refunds	<b>-2,882,189</b>	<b>-2,762,054</b>
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>5,434,545</b>	<b>-5,611,454</b>
<b>B) Cash flow from financing activities</b>		
Changes in Short term Borrowings	-1,279,961	1,279,961
Changes in Long term Borrowings	43,114	3,744,073
<b>Net cash flow from / (used in) financing activities (B)</b>	<b>-1,236,847</b>	<b>5,024,034</b>
<b>C) Cash flow from investing activities</b>		
Purchase of fixed asset , including capital w.i.p.	-3,600	-92,000
Purchase of non-current investments	-2,284,398	-5,510,872
<b>Net cash flow from / (used in) investing activities (C)</b>	<b>-2,284,398</b>	<b>5,602,872</b>
<b>D) Net Increase/Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	1,909,700	-6,190,292
<b>E) Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>10,997,388</b>	<b>17,187,683</b>
<b>F) Cash &amp; Cash Equivalents at the end of the year</b>	<b>12,907,088</b>	<b>10,997,391</b>
<b>Components of Cash &amp; Cash Equivalents (As per Note : 10 )</b>		
Cash on Hand	260,254	6,795,293
Balance with Banks		
- In Current Accounts	2,647,834	100,971
- In Deposit Accounts	9,999,000	4,101,127
<b>Total Cash &amp; Cash Equivalents</b>	<b>12,907,088</b>	<b>10,997,391</b>

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

As per our report of even date

**For Satish Soni & Co.**

Chartered Accountants

FRN : 109333w

Satish Soni

Proprietor

M.No 44391

Director  
Rajiv Agarwal  
(DIN:03445523)

**For and on behalf of the Board**

Director  
Rakesh Chand Agarwal  
(DIN:03539915)

Place : Mumbai  
Date : 30/05/2016

Seema Mittal  
CFO

Company Secretary  
Diwaker Dubey

**Notes to Consolidated Financial Statements**

<b>Note 2 Share capital</b>		
<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>(a) Authorised</b> 11,00,00,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -11,00,00,000 Equity shares of Rs. 1/- each with voting rights)	110,000,000	110,000,000
<b>(b) Issued, Subscribed and fully paid up</b>  10,04,75,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -10,04,75,000 Equity shares of Rs. 1/- each with voting rights)	100,475,000	100,475,000
<b>Total</b>	<b>100,475,000</b>	<b>100,475,000</b>

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

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

<b>Particulars</b>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>No. of Shares</b>	<b>Amount-Rs</b>	<b>No. of Shares</b>	<b>Amount-Rs</b>
Number of shares at the beginning	100,475,000	100,475,000	100,475,000	1,004,750,000
Add: Shares issued during the year	Nil	Nil	Nil	Nil
<b>Number of shares at the end</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>1,004,750,000</b>

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

<b>Name of Shareholders</b>	<b>As at March 31, 2016</b>		<b>As at March 31, 2015</b>	
	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
Ruchi Agarwal	5,816,000	5.79%	6,000,000	5.97%
Sandhya Agarwal	5,375,000	5.35%	5,400,000	5.37%
<b>Number of shares at the end</b>	<b>11,191,000</b>	<b>11.14%</b>	<b>11,400,000</b>	<b>11.35%</b>

**Notes to Consolidated Financial Statements**

<b>Particulars</b>	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
<b>Note 3 Reserves and surplus</b>		
<b>a. Securities Premium Account</b>		
Opening balance	98,000,000	98,000,000
Add: Profit / (Loss) for the year	Nil	Nil
Closing Balance	98,000,000	98,000,000
<b>b. Special Reserve under Section 45-IC of RBI Act,1934</b>		
Opening balance	2,621,743	1,593,379
Add: Transfer during the year	993,542	1,028,364
Closing Balance	3,615,285	2,621,743
<b>c. General Reserve</b>		
Opening balance	2,401,244	2,401,244
Add: Any other Adjustments	Nil	Nil
Closing Balance	2,401,244	2,401,244
<b>d. Surplus</b>		
Opening balance		
	18,201,908	13,755,351
Add: Net Profit for the Year (including entire Profits of Subsidiary)	5,544,514	5,474,921
Less: Transfer to Reserve u/s 45-IC of RBI Act, 1934 (Being 20% of profits after tax for the period )	993,542	1,028,364
Closing Balance	22,752,880	18,201,908
Less: Minority Interest	2,289,509	2,006,874
<b>Total (a + b +c + d)</b>	<b>124,479,899</b>	<b>119,218,021</b>
<b>Note 4 Long -Term Borrowings</b>		
Vehicle Loan	-	61,490
	-	<b>61,490</b>
<b>Unsecured</b>		
From Directors	12,900,000	17,800,000
From Shareholders	86,000,000	86,000,000
From Bodies Corporate	85,080,277	80,075,673
	183,980,277	183,875,673
Less: Inter Corporate Loan	86,500,000	86,500,000
	<b>97,480,277</b>	<b>97,375,673</b>
<b>Note 5 Short-Term Borrowings (Secured)</b>		
Bank Overdraft (Secured against pledge of Fixed Deposits)	-	1,279,961
	-	<b>1,279,961</b>

<b>Note 6 Other current liabilities</b>		
Current maturities of long-term borrowings	61,490	170,169
Employee Benefits Payable	148,428	38,500
Statutory Dues Payable	1,027,381	628,362
Other Payables	773,921	532,349
	<b>2,011,220</b>	<b>1,369,380</b>
<b>Note 7 Short Term Provisions</b>		
Provision for Tax	3,173,537	2,274,642
Provision for Standard Assets	493,837	428,479
	<b>3,667,374</b>	<b>2,703,121</b>

**Note 8  
Fixed Assets**

(Amount-Rs)

Assets	Gross block			Accumulated depreciation and impairment			Net Block	
	Figures as at the beginning of current reporting period	Additions during the current reporting period	Figures as at the end of current reporting period	Figures as at the beginning of current reporting period	Depreciation / amortization expense during the current reporting period	Figures as at the end of current reporting period	Figures as at the end of current reporting period	Figures as at the beginning of current reporting period
<b>Tangible Assets-Owned</b>								
Motor Cars	2,200,789		2,200,789	1,303,868	307,672	1,611,540	589,249	896,921
Motor Cycles	102,373		102,373	35,614	18,332	53,946	48,427	66,759
Land	192,772,715		192,772,715	-	-	-	192,772,715	192,772,715
Civil Structure	2,502,000		2,502,000	402,292	188,408	590,700	1,911,300	2,099,708
Building	1,917,000		1,917,000	457,583	126,633	584,216	1,332,784	1,459,417
Plant and Machinery	452,000		452,000	147,855	43,154	191,009	260,991	304,145
Furniture	111,500		111,500	45,610	14,586	60,196	51,304	65,890
Office Equipment	18,080		18,080	8,914	3,398	12,312	5,768	9,166
Vehicle	695,330		695,330	292,356	104,442	396,798	298,532	402,974
Computers	224,495	3,600	228,095	160,909	41,124	202,033	26,062	63,586
<b>TOTAL</b>	<b>200,996,282</b>	<b>3,600</b>	<b>200,999,882</b>	<b>2,855,001</b>	<b>847,749</b>	<b>3,702,750</b>	<b>197,297,132</b>	<b>198,141,280</b>

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

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Note 9 Non-current Investments</b>		
<b>Long term Investments - Non Trade</b>		
<b>In Fully paid up equity shares</b>		
<b>-Unquoted</b>		
<b>- In Subsidiaries</b>		
Rodic Coffee Estates Private Limited (25,50,000 Eq. Shares, Previous Year - 25,50,000 Eq. Shares )		
<b>In Mutual Funds -</b>		
Birla Sun life Mutual Fund	1,000,000	1,000,000
Reliance Fixed Horizon Fund	-	5,000,000
IIFL Wealth Management Ltd	5,510,872	5,510,872
IIFL Real Estate Discretionary PMS (AMC)	6,662,185	-
Prudential Asset Management	622,213	-
<b>In Gold Coins</b>	570,650	570,650
	<b>14,365,920</b>	<b>12,081,522</b>
Aggregate market value of unquoted investments	14,365,920	12,081,522
<b>Note 10 Long-term loans and advances</b>		
Loans & Advances towards financing activities -Unsecured	164,612,410	176,462,842
Less: Mutual Owings	86,500,000	86,500,000
	<b>78,112,410</b>	<b>89,962,842</b>
Advance for capital goods	6,948,170	
Security Deposit	5,000	-
-	<b>85,065,580</b>	<b>89,962,842</b>
<b>Note 11 Inventories</b>		
Finished Goods	41,367,021	35,362,655
-	<b>41,367,021</b>	<b>35,362,655</b>
<b>Note 12 Trade Receivables</b>		
Unsecured considered good		
Over Six Months	-	-
Below Six Months	86,358	-
	<b>86,358</b>	
<b>Note 13 Cash and cash equivalents</b>		
<u>Cash on hand</u>	260,254	6,795,293
<u>Balance with Scheduled Bank</u>		
In Current Accounts	2,647,834	33,935
In Fixed Deposits	9,999,000	4,101,127
<u>Other Bank Balances</u>		
Unpaid Dividend Account	-	67,036
Cheques in hand	Nil	Nil
	<b>12,907,088</b>	<b>10,997,391</b>



<b>Note 14 Short-term loans and advances</b>		
Balances with Government Authorities		
Advance tax & TDS	3,290,262	1,491,232
Security Deposit	150,000	150,000
Other loans and advances	-	-
Advance to staff	Nil	Nil
Advance to Suppliers /others	8,733	6,151
Prepaid Insurance	3,798	-
	<b>3,452,793</b>	<b>1,647,383</b>
<b>Note 15 Other current assets</b>		
Unamortized Share Issue Expenses & Preliminary Expenses	146,939	304,150
Interest Accrued on Fixed Deposit Account	52,614	342,724
Interest Accrued on Loans	Nil	Nil
	<b>199,553</b>	<b>646,874</b>
<b>Note 16 Revenue from operations</b>		
Interest on loans & advances under financing activities	7,567,355	9,528,536
Sale of Goods	10,631,815	8,167,319
Interest on Debentures	1,385,835	821,147
Dividend on Mutual Funds	85,079	30,313
Profit on sale of Investments	1,013,348	232
<b>Total Revenue from operations</b>	<b>20,683,432</b>	<b>18,547,547</b>
<b>Note 17 Other income</b>		
Excess provision for standard assets written back	-	424,014
Others	323,178	86,037
<b>Total Revenue from operations</b>	<b>323,178</b>	<b>510,051</b>
<b>Note 18 Contingent liabilities</b>		
	Nil	Nil
<b>Note 19 Employee benefits expense</b>		
Salaries and wages	6,595,833	6,819,669
Contribution to provident and other funds	93,097	100,904
Directors' Remuneration	180,000	202,500
Staff Welfare	469,793	261,508
<b>Total</b>	<b>7,338,723</b>	<b>7,384,581</b>
<b>Note 20 Finance Cost</b>		
Interest	7,259,557	6,330,759
Bank Charges	5,406	15,399
<b>Total</b>	<b>7,264,963</b>	<b>6,346,158</b>

<b>Note 21 Other expenses</b>		
Advertisement	240,259	156,598
Annual Fees - Stock Exchange	224,720	127,110
Books & Periodicals	-	4,420
CDSL N NSDL	108,750	73,034
Communication Expenses	41,818	36,632
Consultancy Charges	-	-
Conveyance Expense	28,336	-
Cultivation Charges	165,000	82,263
Donation	-	102,000
Electricity Expenses	67,560	46,824
Filing Fee	24,040	41,815
Handling Charges	35,137	-
Insurance	59,322	32,335
Interest on TDS Late Deposit	9,110	4,248
Interest on VAT	19,854	-
Legal and professional Charges	465,870	115,469
Miscellaneous expenses	38,587	114,668
Payment to Auditors		
<i>Audit Fees</i>	146,250	135,000
<i>Certification Charges</i>	-	-
<i>Service Tax</i>	-	9,270
Pesticides	813,410	727,438
Plantation		328,424
Postage & Courier	20,177	8,304
Printing & Stationary	41,475	31,683
Provision for Sub-standard Assets	65,358	-
Rent	347,175	260,000
Repair & Maintenance	605,412	-
Repairs and maintenance -		
Vehicle	-	397,510
Share issue & Preliminary		
Expenses W/off	146,104	146,104
Travelling and conveyance	231,189	366,591
Van Hire Charges	-	-
VAT Expense	100,320	222,300
<b>Total</b>	<b>4,045,233</b>	<b>3,570,040</b>
<b>Note 22 Dues to Micro, Small and Medium Enterprises</b>		
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.	Nil	Nil
<b>Note 23 Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Liability on account of difference in</b>		
Depreciation as per tax books and financial books	-	-

<b>Note 24 Expenditure in foreign currency</b>	Nil	Nil
<b>Note 25 Earnings in foreign exchange</b>	Nil	Nil
<b>Note 26 Employee benefits</b>	Nil	Nil
<b>Note 27 Related party transactions</b>		
<b>Description of relationship</b>	<b>Names of related parties</b>	
<b>Key Management Personnel (KMP)</b>	Manoj Kumar Agarwal - Director Seema Mittal - Director Rajiv Agarwal - Director Rakesh Chand Agarwal - Director Sudeepti Srivastava- Additional Director	
<b>Subsidiary Company</b>	Rodic Coffee Estates P Ltd (51% holding in Equity Share Capital)	
Note: Related parties have been identified by the Management.		
<b>Details of related party transactions during the year and balances outstanding:</b>		
<b>Particulars</b>	<b>For the year ended 31 March 2016</b>	<b>For the year ended 31 March 2015</b>
<b>Directors' Remuneration</b>		
Manoj Kumar Agarwal	-	90000
Seema Mittal	180,000	112500
<b>Note 28 Previous year's figures</b>		
Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.		
As per our report of even date		
<b>For Satish Soni &amp; Co.</b>	<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants FRN : 109333w	Director Rajiv Agarwal (DIN: 03445523)	Director Rakesh Chand Agarwal (DIN:03539915)
Satish Soni Proprietor M.No. 44391	CFO Seema Mittal	Company Secretary Diwaker Dubey
Place : Mumbai Date : 30/05/2016		

## Form AOC-1

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

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

Part "A": Subsidiaries

S. L. No.	Particulars	Sl. No.-01
01	Name	Rodic Coffee Estates Pvt. Ltd.
02	Reporting Period	01.04.2015-31.03.2016
03	Reporting Currency	INR
04	Share Capital	50000000
05	Reserves & Surplus	4672468
06	Total Assets	240229353
07	Total Liabilities	240229353
08	Investments	NIL
09	Turnover	10950288
10	Profit before Taxation	381307
11	Provision for Taxation	(195499)
12	Profit after Taxation	576806
13	Proposed Dividend	Nil
14	% of Shareholding	51.00 %

### Notes

1 Names of subsidiaries which are yet to commence operations: **NIL**

2 Names of subsidiaries which have been liquidated or sold during the year: **NIL**

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

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

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33<sup>rd</sup> Annual General Meeting (AGM) of members of Sulabh Engineers and Services Limited will be held on Friday, September 16, 2016, at 01:00 P.M. IST at **206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg , Parsi Panchayat Road, Andheri (East), Mumbai-400069** India, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet (Stand Alone and Consolidated) as at March 31, 2016 the Profit & Loss Account for the year ended on that date together with the Schedules and Notes attached thereto, along with the Reports of the Auditors and Directors thereon.
2. To reappoint Mrs. Seema Mittal, (DIN: 06948908) Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify appointment of M/S Satish Soni & Co., Chartered Accountants (M.N. 044391), as Statutory Auditors of the company and to authorize the Board of Directors to fix their remuneration for the financial year ending 2017 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, 142 and Audit and Auditors Rules, 2014, (the rules) , ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. Satish Soni & Co., Chartered Accountants, (Registration No. 044391) as Auditors of the Company, to hold office from the conclusion of this meeting upto the conclusion of next Annual General Meeting, be hereby ratified and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017, as may be determined by the Audit Committee in consultation with the Auditors.”

### SPECIAL BUSINESS:

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

**“RESOLVED THAT**, pursuant to the provisions of Sections 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 Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Sudeepti Srivastava (DIN: 06979356), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from 31<sup>st</sup> December 2015 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. Sudeepti Srivastava (DIN: 06979356) 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 16th September, 2016 or the date of the 38<sup>th</sup> 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 Section 20 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under, upon receipt of a request from a member for delivery of any document through a particular mode an amount of Rs.50/- (Rupees Fifty Only) per each such document, over and above reimbursement of actual expenses incurred by the Company, be levied as an by way of fees for sending the document to him in the desired particular mode.

**RESOLVED FURTHER THAT** the estimated fees for delivery of the document shall be paid by the member in advance to the Company, before dispatch of such document.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance.”

By the order of Board  
For Sulabh Engineers and Services Limited

Sd/-  
(Diwaker Dubey)  
Company Secretary

Date: 02 August 2016  
Place: Kanpur

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy Form should be lodged with the Company at the Registered Office at least 48 hours before the time of the Meeting.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution pursuant Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. **The Register of Members and Share Transfer Books will remain closed from Saturday, September 10, 2016 to Friday, September 16, 2016 (both days inclusive) for the purpose of AGM.**
6. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Limited.
7. **Members who have not registered their e-mail id addresses so far are requested to register their e-mail address in case of physical holding with the Company and in case of demat holding with the Depository Participant.**
8. Electronic copy of the notice of the 33<sup>rd</sup> Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent to all the members whose e-mail address are registered with the Company/Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the notice of the 33<sup>rd</sup> Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent in the permitted mode.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in Securities Market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company/**Skyline Financial Services Pvt. Ltd** ,D-153-A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi, Delhi, 110020
10. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of declaration of the result of the 33<sup>rd</sup> Annual General Meeting of the Company.
11. Pursuant to Sections Section 123,124,125 of the Companies Act, 2013 any money transferred to the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from

- the date of such transfer shall be transferred by the Company to a fund called 'Investor Education and Protection Fund' (the Fund) set up by the Central Government. There are no unpaid and unclaimed amounts lying with the Company.
12. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in Demat / electronic form, the nomination form may be filed with the respective Depository Participant.
  13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. **Skyline Financial Services Pvt. Ltd.**, for consolidation into a single folio.
  14. Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and as per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements), the Company has provided e-voting facility for members to cast their vote electronically from the place other than Annual General Meeting ("remote e-voting").
  15. The instructions for Members for voting electronically are as under:

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

In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its shareholders with the facility to exercise their right to vote at the 33<sup>rd</sup> Annual General Meeting of the Company by electronic means and the business may be transacted through e-Voting services provided by provided by the Central Depository Services Limited.(CDSL)

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

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

The remote e-voting period commences on Tuesday, September 13, 2016 at 09:00.a.m. and ends on September 15, 2016 at 05:00 p.m. During this period shareholders' of the Company, may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The Voting rights of shareholders shall be in proportion to their shares of the paid up capital of the Company as on the cutoff date of 09<sup>th</sup> September, 2016. any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. of 09<sup>th</sup> September, 2016 may obtain the login ID and password by sending a request at [admin@skylinerta.com](mailto:admin@skylinerta.com)



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

**PROCEDURE FOR REMOTE E-VOTING:**

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

- (i) The voting period begins on 13<sup>th</sup> September, 2016 (09.00 am) and ends on 15<sup>th</sup> September, 2016 (05.00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9<sup>th</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

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

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

**In case of members receiving physical copy of Notice of AGM:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xx) above to cast vote.
- (B) The voting period begins on Tuesday, September 13, 2016 at 09:00.a.m. IST and ends on Thursday September 15, 2016 at 05:00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, September 09,2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

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

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

**ITEM NO-4**

Mrs. SUDEEPTI SRIVASTAVA, Company Secretary was appointed as an Additional Director by the Board with effect from December 31, 2015, pursuant to Section 161 of the Companies Act, 2013, 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 Mrs. SUDEEPTI SRIVASTAVA 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. SUDEEPTI SRIVASTAVA (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 she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she 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 Mrs. SUDEEPTI SRIVASTAVA as an Independent Director of the Company up to five consecutive years commencing from 16th September, 2016 or the date of the 38th 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.

She is not liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. SUDEEPTI SRIVASTAVA, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and she is independent of the Management.

No director, key managerial personnel or their relatives, except Mrs. SUDEEPTI SRIVASTAVA, 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.

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

NAME	<b>SEEMA MITTAL</b>	<b>SUDEEPTI SRIVASTAVA</b>
FATHER'S NAME	LAXMI NARAIN DALMIA	SUDHIR KUMAR SRIVASTAVA
D.O.B.	21/06/1969	22/12/1984
ADDRESS	HN. 93113- Swaroop Nagar , KANPUR- 208002 Email- seemamittal1969@gmail.com	104/132, SISAMAU, KANPUR- 208012 Email-ssudeepti@gmail.com
QUALIFICATION	Graduate	B.Com,& Qualified Company Secretary
EXPERIENCE	She is business consultant and having good knowledge of legal aspects of business matters with experience of more than fifteen years.	She is Company Secretary by profession having extensive experience in Company matters and applicable laws
OTHER DIRECTORSHIP	NIL	NIL
SHAREHOLDING IN THE COMPANY	NIL	NIL

**ITEM NO-5**

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the Resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting; the Directors accordingly commend the Ordinary Resolution at item no. 5 of the accompanying Notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at item no. 5 of the accompanying Notice.

By the order of Board  
For Sulabh Engineers and Services Limited

Sd/-  
(Diwaker Dubey)  
Company Secretary

Date: 02 August 2016  
Place: Kanpur

**SULABH ENGINEERS AND SERVICES LIMITED**

**CIN: L28920MH1983PLC029879**

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

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

Tel.: Registered Office: 022-67707822

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

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

**ATTENDANCE SLIP**

(To be presented at the entrance)

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

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

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

I hereby record my presence at the Annual General Meeting of the Company to be held at its Registered Office, **206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg, Parsi Panchayat Road, Andheri (East), Mumbai-400069** on Friday, the 16<sup>th</sup> day of September 2016 at 01:00 PM.

Member's/ Proxy name in BLOCK letters

Signature of Member/Proxy

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

Form No. MGT-11

PROXY FORM

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

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[sulabhinvestorcell@gmail.com](mailto:sulabhinvestorcell@gmail.com)

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

Registered address: .....

E-mail Id:

.....

Folio No/ Client Id: .....

DP ID:

.....

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

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

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

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

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

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

....

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company, to be held on the Friday, September 16, 2016 at 01.00 P.M. at 206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg, Parsi Panchayat Road, Andheri (East), Mumbai-400069 and at any **adjournment thereof in respect of such resolutions as are indicated below:**

<b>Ordinary Business</b>		<b>Optional*</b>	
Resolution No.	Item	For	Against
1	Adoption of financial statement for the year ended March 31, 2016		
2.	Reappoint Mrs. Seema Mittal, (DIN: 06948908) Director who retires by rotation		
3.	To appoint M/S Satish Soni & Co., Chartered Accountants as Statutory Auditors of the company		
<b>Special Business</b>			
4.	Appointment of Mrs. Sudeepti Srivastava (DIN: 06979356) as Independent Director		
5.	Levy of fees for sending the document to the member upon receipt of a request		

Signed this ..... day of ..... 2016.

Signature of shareholder

Affix Re1/- Revenue Stamp Here
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Signature of Proxy holder(s)

Note:

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

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

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

## Route Map of Venue

