

# 39<sup>th</sup> ANNUAL REPORT

SULABH Engineers And Services Limited

2021-22



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**REGISTERED OFFICE**

206, 2<sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg office,  
Parsi Panchayat Road, Andheri (East), Mumbai-400069  
Tele No- 022-67707822 Fax No. - 022- 67707822  
E- Mail :[sulabheng22@gmail.com](mailto:sulabheng22@gmail.com), [sulabhinvestorcell@gmail.com](mailto:sulabhinvestorcell@gmail.com)

**CORPORATE OFFICE**

17/11, The Mall, Kanpur 208001  
Tele No- 0512-2311226, 2319705 Fax No- 0512- 2363774

**CORPORATE IDENTIFICATION NUMBER (CIN)**

L28920MH1983PLC029879

**BANKER**

Union Bank of India  
Kotak 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)

**COMPANY SECRETARY**

Ms. Rekha Kejriwal

**AUDITORS****Soni Sunil & Co., Chartered Accountants**

12, Bharat Smruti CHS Ltd, Modi Patel Road, Bhayander West, Mumbai India – 401101  
Tel: 9702512000

**SECRETARIAL AUDITOR**

GOPESH SAHU

205-A, Anand Tower, 117/K/13, Sarvodaya Nagar, Kanpur-208025 0512-2505455

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

#### **Mr. Vimal Kumar Sharma\***

*Managing Director*

Mr. Vimal Kumar Sharma is an experienced businessman. Mr. Sharma has over 25 years of experience in the field of Securities Market and Financial Investments. He is very efficient in taking financial and investment decisions of the Company at large. He was appointed as Managing Director of the company on 13<sup>th</sup> day of October, 2020.

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

*Director and Chief Financial Officer*

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

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

*Independent Director*

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

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

*Independent Director*

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

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

*Independent Director*

Vijay Kumar Jain is a Qualified Chartered Accountant with over two decades of experience in capital market and financial advisory service having wide experience in the financial sector and credit administration. He was appointed as a Non Executive Independent Director on the Board of the Company.

## DIRECTOR'S REPORT

Dear Stakeholders,

Board of Directors is privileged to present with great honor, this 39<sup>th</sup> Annual Report together with Audited statement on the business and operations of the company for the year ended on 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS (STANDALONE): (in Lakhs)

Particulars	2021-22 (INR.)	2020-21 (INR.)
Revenue From Operations	118.66	95.79
Other Income	39.50	23.98
Total Income	<b>158.16</b>	<b>119.77</b>
<b>Profit/(Loss) Before Interest &amp; Dep.</b>	<b>86.38</b>	<b>96.85</b>
Less: Interest	0.00	0.01
Less: Depreciation	7.17	9.85
<b>Profit / (Loss) Before Tax</b>	79.21	87.00
Less: Current Tax	15.00	28.87
Less: Deferred Tax	-3.5	5.23
<b>Net Profit After Tax</b>	<b>67.71</b>	<b>52.90</b>

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

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

- Total Revenue from Operations Increased in current year to 32.05% to Rs. 118.86 Lakh (as compare to Previous Year Rs. 95.79Lakh)
- Profit Before Interest & Dep. decreased to 10.51% Rs. 86.38 Lakh (as per Previous year Rs. 96.85 Lakh)
- Profit after tax of the Company is also increased to 27.99% in the current financial year which amounts to Rs. 67.71 Lakh as compared to previous year Rs. 52.90Lakh.

### FINANCIAL RESULTS (CONSOLIDATED): (in Lakhs)

Particulars	2021-22 (INR.)	2020-21 (INR.)
Revenue From Operations	374.40	246.86
Other Income	(0.11)	1.29
Total Income	374.29	248.15
<b>Profit/(Loss) Before Interest &amp; Dep.</b>	<b>138.45</b>	<b>163.14</b>
Less: Interest	0.00	0.01
Less: Depreciation	15.13	19.34
<b>Profit / (Loss) Before Tax</b>	123.32	143.79

Less: Current Tax	17.62	31.87
Less: Deferred Tax	5.33	5.23
<b>Net Profit After Tax</b>	<b>111.02</b>	<b>106.69</b>

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

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

- Total Revenue from Operations increased in current year to 51.69% to Rs.374.40 Lakh (as compare to Previous year Rs. 246.86 Lakh)
- Profit Before Interest & Dep. decreased to 15.13% Rs. 138.45 Lakh (as per Previous year Rs. 163.14 Lakh).
- However Profit after tax of the Company increased to 4.06% in the current financial year which amounts to Rs. 111.02 Lakh (as compared to previous year Rs. 106.69 Lakh).

## **SHARE CAPITAL**

The paid up equity capital as on March 31, 2022 was Rs.10,04,75,000/-. 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, 2022, 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. 13.54 Lakh/- to the Special Reserves under section 45IC of RBI Act, during the year.

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

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

## **SUBSIDIARY COMPANIES**

As on March 31, 2022 the Company has the following subsidiary:

1. Rodic Coffee Estates Private Limited.

The audited financial statements, the Auditors Report thereon and the Board's Report for the Company's subsidiary for the year ended March 31, 2022 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.

#### **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, 2022, 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, 2022 and of the profit of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a going concern basis;
- e) The Directors have laid down proper internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively;
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems are adequate and are operating effectively.

#### **CORPORATE GOVERNANCE**

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

#### **RELATED PARTY TRANSACTIONS**

The related Party transactions entered by the Company have been clearly identified in Note No. 4.3 & Note no. 4.3 (Standalone and Consolidated) respectively in the balance sheet section annexed to this report. Form AOC-2 is attached as Annexure F.

## **CORPORATE SOCIAL RESPONSIBILITY**

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

## **FIXED DEPOSITS:**

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

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

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of the company is duly constituted.

All the other directors except Mr. Vimal Kumar Sharma and Mrs. Seema Mittal are Independent and Non Executive Directors and are not liable to retire by rotation. As Mr. Vimal Kumar Sharma is the Managing Director of the company not liable to retire by rotation, therefore pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mrs. Seema Mittal retires by rotation at the ensuing Annual General Meeting and offers herself for reappointment.

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

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

## **FORMAL ANNUAL PERFORMANCE EVALUATION**

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



out by the Independent Director at their separate Meeting held on 31<sup>st</sup> March, 2022.

### **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, FRN: 109333W has been appointed as statutory auditors of the company as per the provisions of section 139 and 141 of the Companies Act, 2013 and rules made there under after obtaining written consent to act as statutory auditor of the company for a period of five years commencing from the conclusion of this 39<sup>th</sup> Annual General Meeting to the conclusion of 44<sup>th</sup> Annual General Meeting in place of retiring auditor M/S Soni Sunil & Co., Chartered Accountants (FRN:154913W), who has sent a letter dated 25.07.2022, showing his unwillingness to be re-appointed due to his pre-occupation. Members' attention is drawn to a Resolution proposing the appointment of M/s Satish Soni & Co., Chartered Accountants, FRN: 109333W, as Statutory Auditors of the Company which is included at Item No. 3 of the Notice convening the Annual General Meeting.

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

#### **Secretarial Auditor**

CS Gopesh Sahu, Practicing Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2021-21 as required under section 204 of the Companies Act, 2013 and the rules there under. The Secretarial Audit report for the financial year 2021-22 forms part of the Annual Report as "Annexure A" to the Board's Report.

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

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

CS Vaibhav Agnihotri, Practicing Company Secretary conducted the Secretarial Audit of Rodic Coffee Estates Private Limited (Material Subsidiary of Sulabh Engineers and Services Limited) for the financial year 2021-2022 as per requirement under Regulation 24A of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015. Secretarial Audit Report of Material Subsidiary is also required to be attached with annual report of holding company, as "Annexure B" to the Board's Report.

#### **COST RECORDS AND COST AUDITORS**

The provisions of Cost Audit and Records as prescribed under Section 148 of the Act, are not applicable to the Company

#### **SECRETARIAL STANDARDS OF ICSI**

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS – 1) and General Meetings (SS – 2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

#### **DISCLOSURES**

##### **Audit Committee**

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

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

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

Four 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 one meeting 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 four meetings during the year. The details of which are provided in Report on Corporate Governance.

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

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

The Employees and Directors may report to the Compliance Officer and have direct access to the Chairman of the Audit Committee. The WBP may be accessed on the Company's website at the link [www.sulabh.org.in](http://www.sulabh.org.in).

#### **Risk Management framework**

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

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

#### **Meetings of Board**

The Board of Directors held six 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. 2.2 & 2.3 of Notes to the Financial Statements.

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

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

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

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

The Annual Return of the Company would be posted on the website of the company having web link as [www.sulabh.org.in](http://www.sulabh.org.in)

### **REPORTING FRAUD**

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

### **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".

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

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

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

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

### **ACKNOWLEDGMENTS**

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

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

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

**Sd/-**  
**Seema Mittal**

Director

DIN:06948908

Place: Kanpur

Date: 8<sup>th</sup> August 2022

**Sd/-**  
**Rakesh Chand Agarwal**

Director

DIN:03539915

**Annexure "A"**

**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31.03.2022*

*[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  
Read with Regulation 24A of SEBI (LODR), 2015]*

To,

The Members

**SULABH ENGINEERS AND SERVICES LIMITED**

Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **SULABH ENGINEERS AND SERVICES LIMITED (CIN:L28920MH1983PLC029879)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **SULABH ENGINEERS AND SERVICES LIMITED** for the financial year ended on 31<sup>st</sup> March, 2022 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 Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (not applicable to the company during the Audit period);
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
- (vii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (viii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,

1992;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the Audit period);
- (b) 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);
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the Audit period);
- (d) 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);
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the Audit period) and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the Audit period);
- (vi) Other Laws as per the representation given by the company.

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Mr. Vimal Kumar Sharma (DIN: 00954083) Managing Director of the Company was appointed at the board meeting held on 13/10/2020 and his appointment was confirmed by the shareholders at the Annual General Meeting held on 25/09/2021, all such changes made were duly reported as per law.

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

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

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

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

***SEBI vide its Final Order WTM/MB/IVD/ID4/8865/2020-21 dated September 3, 2020 have restrained the company from accessing security market for the period of One year effective from the date of this order and also prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner for the same period, from the date of order, the Company has filed an Appeal vide Appeal No. 195 of 2020 before the Hon'ble Securities Appellate Tribunal against the order and the Authority has dismissed the Appeal by passing an Order dated 29/04/2022. The Company has decided to move to Hon'ble Supreme Court of India against the order passed by the Securities Appellate Tribunal.***

**CS GOPESH SAHU**

FCS:7100

C.P. No. 7800

Place : Kanpur

Date : 08/08/2022

PRU Certificate No.:1515/2021

UDIN: F007100D000753164

*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. That the entire Audit was conducted on the basis of documents and records as made available through online mode by the Company, however physical visit were been made at the corporate office of the company situated at Kanpur.
3. 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.
4. 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 : 08.08.2022

**Annexure “B”**

**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31.03.2022*

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

To,

The Members of

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

**211/3, D-288-289, Street No. 10,**

**Wadhwa Complex,**

**Vikas Marg, Laxmi Nagar**

**Delhi -110092**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **RODIC COFFEE ESTATES PRIVATE LIMITED** for the financial year ended on 31<sup>st</sup> March, 2022 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;  
**(Not applicable during the year);**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not applicable during the year);**

(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 during the year);**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

I. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable during the year);**

II. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the year);**

III. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable during the year);**

IV. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015; **(Not applicable during the year);**

V. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable during the year);**

(vi) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company under the financial year under report:- **(Not applicable during the reporting period).**

(a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable during the reporting period);**

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the year);**

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable during the reporting period);** and

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable during the reporting period);**

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India (as amended

from time to time)

(ii) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable during the reporting period);**

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

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Directors. The Company is a material subsidiary of its holding Company. As per the compliance of regulation 24 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, Mr. Rakesh Chand Agarwal is serving as the Independent Director of the Company.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions at the Board Meetings, as represented by the management, were taken unanimously. The Board met (four) 4 times during the year. The meetings took place on 29.06.2021; 11.08.2021; 10.11.2021; 31.01.2022. Further the Annual General Meeting of the Company took place on 24.09.2021.

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 period under purview Mr. Siddharth Dwivedi ,Company Secretary of the Company resigned from the post of Company Secretary on 31.01.2022. Proper Compliance in respect to the above resignation was done by the Company. Further pursuant to amendments in Rule 8A of Chapter XIII of Appointment and Remuneration of Managerial Personnel regarding appointment of Company Secretaries in companies, there is no requirement of appointment of whole time Company Secretary in the Company, hence no new Company Secretary has been appointed pursuant to resignation of the existing Company Secretary.

Furthermore, 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.

We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under applicable laws/Acts/Regulations

to the Company.

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

Place: Kanpur

Date: 06/08/2022

**For V. Agnihotri & Associates.**

**Sd/-**

**( Prop: Vaibhav Agnihotri)**

**FCS No. 10363**

**C P No.: 21596**

**UDIN: F010363D000748507**

**Peer Review No.: 2065/2022**

**“ANNEXURE – A” TO THE SECRETARIAL AUDIT REPORT**

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

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

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

Place: Kanpur

Date: 06/08/2022

**For V. Agnihotri & Associates.**

**Sd/-**

**( Prop: Vaibhav Agnihotri)**

**FCS No. 10363**

**C P No.: 21596**

**UDIN: F010363D000748507**

**Peer Review No.: 2065/2022**

**Annexure "C"**

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

<b>Sl. No.</b>	<b>Particulars required</b>	<b>Relevant details</b>
<b>i</b>	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Mrs. Seema Mittal is drawing salary in the capacity of Chief Financial Officer (CFO) of the Company and not as a Director. No other Directors are in receipt of remuneration. Hence the clause is not applicable.
<b>ii</b>	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	There was no increase in remuneration of any director, Chief Financial Officer, Chief Executive Officer. However salary of Company Secretary was increase by 73.07 percent in current financial year as compare to previous financial year.
<b>iii</b>	Percentage increase in the median remuneration of employees in the financial year	<b>NIL</b>
<b>iv</b>	Number of permanent employees on the rolls of company	<b>04</b>
<b>v</b>	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>vi.</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 `102,00,000/-p.a.

B) Employed for part of the year and was in receipt of remuneration which is in the aggregate was not less than `8,50,000/-p.m.

## **ANNEXURE "D"**

### **MANAGEMENT DISCUSSION & ANALYSIS**

#### **The Covid-19 pandemic**

Financial year 2021-22 (FY2022) was once again dominated by Covid as new waves of infection swept across countries. In India, the second wave ('Delta') proved far more deadly than the first. After a shaky start in some places, the roll-out of vaccines in India began in dead earnest. The eventual success of nation-wide vaccination across this far-flung sub-continent played a large role in curbing hospitalization. The advent of the highly transmissible variant 'Omicron' arrived in early January 2022. In this third wave, India's daily number of reported cases peaked to nearly 350,000 in January 2022 and the active case load was over 22 million. Fortunately, while highly transmissible, Omicron was nowhere as clinically deadly as Delta. So, while many got infected, almost all got well again within a week or so, without hospitalization and morbidity. India did not see a re-run of lockdowns and a massive drop in GDP as witnessed in FY2021. Thanks to a huge vaccination drive, the earlier strong link between Covid waves and fall in GDP growth was considerably reduced. It is too early to opine on the matter, but it would seem that India has got used to Covid. So long as the new variants are like Omicron, we should have less to worry about mass hospitalizations, huge excess morbidity, multiple lockdowns and lower growth. There can be no doubt that Covid has inflicted enormous pain and suffering to individuals and corporates alike across the globe. Equally, it gave the world an opportunity to reinvent itself to adapt to new ways of life and business. This pandemic was a real test of resilience and agility of businesses across all sectors, be it manufacturing, service, real estate, entertainment sector and others. Corporates that successfully adapted and survived the challenges thrown by Covid have generally become resilient and agile organisations who are now future ready to weather such a massive disruption.

#### **Macroeconomic Overview**

The Indian economy had been staging a recovery since the second half of FY2021. Thus, FY2022 began with an expectation that we would soon see GDP surpass the pre-pandemic level of the 2019-20 (FY2020). Nevertheless, the fact is that we as a nation have effectively lost two years of GDP growth.

#### **INDIAN ECONOMY OVERVIEW**

'India to remain the fastest growing major economy in the world during 2021-24' – as per the projections by the World Bank and the International Monetary Fund. The FY 2021-22 has largely been a year of recovery from the impact of the Covid-19 pandemic, which had been a drag in the previous two fiscals. The Indian economy entered a technical recession in the previous fiscal year as a result of the Covid-19-induced slowdown. The policies of the Center supported the country's much-needed revival.



During the initial waves of the Covid-19 pandemic, what started with reducing interest rates and stimulus measures gave a much-needed cushion to stabilize the economy. Furthermore, the development of various vaccines assisted not just in raising public morale but also in laying the groundwork for a reviving economy. With around 2 Billion inoculations successfully completed in India against the Covid-19 virus and low Covid-19 positive rates, the Indian economy is set to recuperate to its pre-pandemic levels. India's GDP grew by 9.2% in FY 2021-22, supported by widespread vaccine coverage, gains from supply-side reforms, regulatory easing, robust export growth, and the availability of fiscal support to increase capital spending. *(Source: Ministry of Health and Family Welfare, Economic Survey of India FY 2021-22).*

## **OUTLOOK**

The fundamentals of India's economy remain robust, and the service sector is catching up. This is further backed by the corporate sector's improved performance, as evidenced by the uptrend witnessed in the quarterly results. India is expected to witness a GDP growth of 7.2% in FY 2022-23. The Government's substantial capital spending program, as envisaged in the Union Budget 2022 along with a healthy financial system, is well-positioned to attract private investment by reviving economic activity and boosting demand. The Indian economy is buoyed by significant Foreign Exchange reserves which exceed its level of external debt, placing it favourably. Furthermore, with the central banks globally as well as in India engaging in gradual and calibrated withdrawal of liquidity, this would foster growth in a non-disruptive manner. However, the impacts of further outbreak of Covid-19 and its variants and the ongoing geopolitical crisis owing to the Russia-Ukraine war needs to be monitored closely. *(Source: Economic Survey of FY 2021-22, RBI forecasts, MOSPI, IMF, World Bank).*

## **INDUSTRY STRUCTURE AND DEVELOPMENTS**

### **NBFC**

In the recent decade, Non-Banking Financial Companies (NBFCs) have emerged as one of the principal institutions in providing credit financing to the unorganized underserved sector. NBFCs have a systematically important role in the Indian financial system. They provide a means of financial inclusion for those who do not have easy access to credit. NBFCs have not only revolutionized the way the lending system operates in India over the last decade, but they have also merged digitization and technology to provide customers with a quick and convenient financing experience. Thus, accessing the large untapped demographic of the Indian subcontinent and setting the way for economic prosperity.

Focusing on the low-income groups and untapped segments of the society, the NBFCs provide a plethora of services, including MSME financing, Home Finance, Microfinance, Gold loan and other retail segments. With small-ticket loan forming the major chunk of the business, NBFCs have further integrated with Fintech and developed newer products of the technological age. Leveraging on the hybrid model of physical and digital delivery, NBFCs have unlocked vast opportunities for the decades to come. The Government has also shown major focus towards the development of these NBFCs and

have been working on governance measures to strengthen the systemic importance of the NBFCs. The effects of Covid-19 brought a huge slump to the NBFC industry in the previous fiscal year. The industry which was already undergoing a major crisis was further affected due to decline in disbursement. However, with the support and focus of the Government and various liquidity measures by The Reserve Bank of India (RBI) such as repo rate cut, Targeted Long-term Repo Operations, Special Liquidity Scheme and Partial Credit Guarantee Scheme, NBFCs surpassed their pre- Covid-19 levels of disbursements in the Q4 of FY21. The total credit outstanding from the NBFCs segment in India for FY 2020-21 stood at ` 23.75 Trillion and is expected to grow by 6% to 7% in the FY 2021-22. This progress was mainly led by growth in the Housing, Auto, Gold and other retail segments which stood resilient even in the previous fiscal year. While the disbursement and AUM trends improved in the Q3 and Q4 of FY 2021-22, the trend is expected to continue in Q4 of FY 2021-22 due to the limited impact of the third wave of the pandemic.

*(Source: CRISIL NBFC Report 2021)*

### **Major regulatory updates**

The Reserve Bank of India (RBI) released Circulars for Clarification on Master Circular on Prudential norms on Income Recognition, Asset Classification, and Provisioning pertaining to Advances (IRCAP) dated October 1, 2021. These circulars are expected to impact income/asset recognition for NBFCs.

#### **1. Due dates as per RBI circulars:**

a) As per November 12, 2022 Circular

- i) NPA classification in case of interest repayments, Increasing Consumer Awareness among the borrowers to be complied - March 31, 2022
- ii) Specification of Due date/repayment date - December 31, 2021

b) As per February 15, 2022 Circular

- i) Paragraph 10 of the Circular stipulates that loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. NBFCs shall have time till September 30, 2022, to put in place the necessary systems to implement this provision.

#### **2. Daily tagging:**

Lending institutions must flag loan accounts as SMA/NPA as part of their day-end operations.

#### **3. Upgradation of loan accounts classified as NPAs:**

NPAs may be upgraded as 'standard' assets only if entire arrears of interest and principal pertaining to all the credit facilities are paid in full by the borrower.

#### **4. Consumer Awareness:**

a) With a view to increasing awareness among the borrowers, lending institutions shall place consumer education literature on their websites, explaining with examples, the concepts of date of overdue and NPA classification and upgradation, with specific reference to day-end process.

b) Lending institutions may also consider displaying such consumer education literature in their branches by means of posters and/or other appropriate media. Further, it shall also be ensured that their front-line officers educate borrowers about all these concepts, with respect to loans availed by them, at the time of sanction/disbursal/renewal of loans.

## **THREATS**

### **Unanticipated changes in regulatory Norms**

The appropriate supervision and regulation of NBFC sector is a prerequisite for India's overall financial development. Non-bank lenders' regulatory structure has been changing over time to ensure prudent supervision and regulation. However, unexpected regulatory changes and restrictions, may increase compliance costs and adversely impact the way current products or services are produced or delivered.

### **Technology disruption**

In India, the NBFC business is undergoing rapid technological development. Technology-based innovation has become essential to the Company's success. It has become critical to stay on top of the competition when it comes to new generation digital innovations. The potential of disruptions induced by developing technologies, however, always remain.

### **Liquidity squeeze**

NBFCs rely on external funding to fulfill the financing needs of their customers. A liquidity crunch arising from reduced loan recovery, external funding or other unforeseen events could adversely impact the loan disbursement cycle of the NBFCs leading to subdued performance.

### **Global economic slowdown**

The global scenario is as complex as it is uncertain. A global economic downturn might be disastrous for emerging economies. Erratic capital flows, currency volatility, migration restrictions, and global trade barriers might all have adverse impacts on the productivity and business of the NBFC sector.

### **Global geopolitical crises**

India being an emerging global economy, faces notable risks due to global relations. A shift in developed and emerging countries' interest rates, policies and protectionism along with trade and capital market conditions may hamper businesses locally. Geopolitical and trade tensions in the global market pose further risk to the Indian NBFC industry.

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

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

- Management holds ultimate responsibility for establishing and maintaining

an effective internal control structure. Through leadership and example, management demonstrates

- Ethical behavior and integrity within the company.
- The board of directors provides guidance to management. Because board members have a working knowledge of the functions of the company, they help shield the company from managers who try to override some control procedures for dishonest purposes. Often, an efficient board that has access to the company's internal auditors can discover such fraud.
- Auditors within the organization evaluate the effectiveness of the internal control structure and determine whether company policies and procedures are being followed. All employees are part of a communications network that enables an internal control structure to work effectively.
- Although company has in place technology based operational control methods and systems. The Company's internal control infrastructure is well managed by a highly competent team to ensure efficiency in business operations and safeguarding the company's assets. Internal Audits are conducted at regular intervals to provide assurance to management that the transactions are carried out as per set policies & processes.

#### **HUMAN RESOURCE CAPITAL**

Amidst today's evolving socio-economic changes, attracting the best talents from the industry, maintaining their highest productivity level through continuous skill building exercises and retaining them in the organization plays a pivotal role to the success of any company where human capitals are the most coveted assets. The Company is focused on creating a competitive and cordial working environment and strengthens the talent pool by providing employees with career enhancement opportunities. The underlying principal of its human resource strategy is induction of right talent at right time,

#### **CAUTIONARY STATEMENT**

This document contains statements about expected future events, financial and operating results of Sulabh Engineers and Services Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward- looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward- looking statements. As the Company's operations are affected by many external and internal factors, which are beyond the control of the management hence actual results may be different from those expressed or implied. Company is not under any obligation to amend, modify or revise any statement in future on the basis of subsequent developments, information or events.

## ANNEXURE- "E"

### 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	
01	Name	Rodic Coffee Estates Pvt. Ltd.
02	Reporting Period	01.04.2021-31.03.2022
03	Reporting Currency	INR
04	Share Capital	50000000
05	Reserves & Surplus	101712066.00
06	Total Assets	223217216.00
07	Total Liabilities	223217216.00
08	Investments	NIL
09	Turnover	21624162.00
10	Profit before Taxation	4410511.00
11	Provision for Taxation	241500.00
12	Profit after Taxation	4330744.00
13	Proposed Dividend	Nil
14	% of Shareholding	51.00 %

#### Notes

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

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

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

**ANNEXURE- "F"**

**Form No. AOC-2**

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

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

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

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

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

- (a) Name(s) of the related party and nature of relationship :**Rodic Coffee Estates Private Limited** (It is a subsidiary of Sulabh Engineers and Services Limited)
- (b) Nature of contracts/arrangements/transactions: **Loan to subsidiary Company**
- (c) Salient terms of the contracts or arrangements or transactions including the value, if any:  
**An amount of Rs. 36009081.00 as Unsecured Loan has been sanctioned to subsidiary company upon terms and conditions mentioned in the sanction letter.**
- (d) Date(s) of approval by the Board, if any: **03.08.2017**
- (e) Amount paid as advances, if any: **N.A**

On behalf of the Board of Directors  
**For Sulabh Engineers and Services Limited**  
-Sd-  
**(Vimal Kumar Sharma)**  
Managing Director

## **REPORT ON CORPORATE GOVERNANCE**

### **Company's Philosophy on Code of Governance**

The Company seeks to adopt good corporate governance practices and ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

The Company is in compliance with the applicable corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ("SEBI Listing Regulations") as applicable, with regard to corporate governance.

We, at Sulabh Engineers, believe that efficient, transparent and impeccable Corporate Governance is vital for stability, profitability and desired growth of the business of any organization. The importance of such Corporate Governance has now further intensified, owing to ever-growing competition in businesses in almost all economic sectors, both at national and international levels. Therefore, the Companies Act, 2013 [hereinafter referred to as "the Act"], and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "the SEBI (LODR) Regulations, 2015"] have innovative means to make Corporate Governance in India optimally progressive and beneficial to all the stakeholders. 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.

We seek to protect the shareholders' rights by providing timely and sufficient information to the shareholders, allowing effective participation in key corporate decisions and by providing adequate mechanism to address the grievances of the shareholders. This ensures equitable treatment of all shareholders including minority and foreign shareholders. We ensure timely and accurate disclosure on significant matters including financial performance, ownership and governance of the Company. We implement the prescribed accounting standards in letter and spirit in the preparation of financial statements, taking into account the interest of the stakeholders and the annual audits conducted by an independent and qualified auditor. Investor updates are uploaded on the Company's website on quarterly basis and also intimated to the stock exchanges for the benefit of its stakeholders. Further, additional updates are provided to the stakeholders on any matter that concerns them, as and when the circumstances arise.

Our Board periodically reviews its corporate strategies, annual budgets and sets, implements and monitors corporate objectives. It effectively monitors the Company's governance practices and ensures transparent Board processes. Further, it appoints and compensates the key executives, monitors their performance and strives to maintain overall integrity of the accounting and financial reporting systems.

## I. BOARD OF DIRECTORS

### A. Size and composition of the Board of Directors (the 'Board')

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

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

**Table 1: The composition of the Board and the number of directorships held by them as on March 31, 2022**

Sr. No.	Name of Director	Category of Directorship at Sulabh	Relationship between Directors inter-se	No. of Directorships held in Public Companies	Name & Category of Directors in other Listed Companies	No. of Committee Position(s) in Public Companies	
						*Member	#Chairperson
1.	Mr. Vimal Kumar Sharma	Managing Director	No	Nil	Nil	Nil	Nil
2.	Mrs. Seema Mittal	Executive Women Director and Chief Financial Officer	No	Nil	Nil	Nil	Nil
3.	Mr. Deepak Agarwal	Independent Director	No	Nil	Nil	Nil	Nil
4.	Mr. Rakesh Chand Agarwal	Independent Director	No	Nil	Nil	Nil	Nil
5.	Mr. Vijay Kumar Jain	Independent Director	No	1	1	3	1

\*# includes only Audit Committee & Stakeholders Relationship Committee in all public limited companies

None of the Directors of the Company:

- is a director of more than seven listed companies;
- is a member of more than ten committees or Chairman of more than five committees of Boards (Audit Committee and Stakeholders Relationship Committee) across all the companies where he/she is a Director;
- holds Executive Director position and serves as an Independent Director in more than three listed companies.



All the other conditions as prescribed under the SEBI (LODR) Regulations, 2015, with respect to directorships, committee memberships & chairmanships, are complied with by the Directors of the Company. Further, they have made necessary disclosures regarding the same.

#### **B. Core competencies of the Board of Directors as per Part C of Schedule V - Corporate Governance Report requirements of the SEBI (LODR) Regulations, 2015**

The Board of Directors is structured with a thoughtful combination of various skills, competencies and experience which brings in diversity to the Board's perspectives.

The core skills/expertise/competencies identified by the Board are as follows:

- a) Legal, finance & accountancy,
- b) Technical consultancy,
- c) IT business operations,
- d) Human resources & stakeholder engagement,
- e) Sales & delivery,
- f) Risk management,
- g) Knowledge of the industry,
- h) Leadership,
- i) Board service & governance.

The current Directors possess the above-mentioned skill sets and guide the management in efficient functioning of the Company.

#### **C. Familiarization Program**

At the time of appointment a formal letter is issued to the Director, which explains the roles, rights and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, The SEBI (LODR) Regulation 2015, Code of Conduct, Prohibition of Insider Trading Code, RBI directions and other relevant regulations.

The Independent Directors of the Company are given opportunity to familiarize themselves with the Company, its management and operations so as to understand the Company. The details of the familiarization program for Independent Directors has been uploaded on the Company's website i.e. on [www.sulabh.org.in](http://www.sulabh.org.in).

#### **D. Succession Planning**

The Company believes that it will benefit immensely by identifying crucial job skills, knowledge, social relationships and organizational practices and passing them on to prepare the next generation of workforce, thereby ensuring seamless movement of talent within the organization. The Nomination & Remuneration Committee of the Board of Directors of the Company works on a structured leadership succession plan for the Company, along with the Human Resources team.

## **E. Independent Director**

### **1. Independence**

All the Independent Directors have confirmed that they meet the 'independence' criteria as provided under Regulation 16 of SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Act. Also, in terms of Regulation 25(8) of the SEBI (LODR) Regulations, 2015, they have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

In the opinion of the Board, all the Independent Directors fulfill the criteria relating to their independence as specified in the SEBI (LODR) Regulations, 2015 and the Act, and are independent of the management.

### **2. Limit on number of directorships**

The number of companies in which each Independent Director of the Company holds office as an Independent Director is within the limits prescribed under Regulations 17A and 25 of the SEBI (LODR) Regulations, 2015.

### **3. Maximum tenure of the Independent Directors**

None of the Independent Directors have exceeded the tenure prescribed under Regulation 25 of the SEBI (LODR) Regulations, 2015 and under Section 149(10) of the Act. Further, during the year, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

### **4. Formal letter of appointment to Independent Directors**

The Company has issued formal appointment letters to the Independent Directors, a specimen of which has been placed on the Company's website.

### **5. Performance evaluation of Independent Directors**

The Nomination and Remuneration Committee has laid down the following criteria for performance evaluation of Independent Directors:

- a) Attendance at Board meetings and Board Committee meetings;
- b) Chairmanship of the Board and Board Committees;
- c) Contribution and deployment of knowledge and expertise at the Board and Committee meetings;
- d) Guidance and support provided to senior management of the Company outside the Board meetings;
- e) Independence of behavior and judgment;
- f) Impact and influence; and
- g) Performance of the Directors.

## 6. Separate meeting of the Independent Directors

During the financial year 2021-22, a separate meeting of the Independent Directors of the Company was held on March 31, 2022.

## F. Responsibilities of the Chairman and other Directors

Mr. Vimal Kumar Sharma is the Managing Director of the Company and Mrs. Seema Mittal is the Executive Women Director and is the Chief Financial Officer (“CFO”) of the Company. The authorities and responsibilities of each of the above Directors are clearly demarcated as under:

The MD guides the team in overseeing business, management of key external relationships and managing Board matters and also plays a strategic role in Community Initiatives and Corporate Governance and is in-charge of the overall management of the Company. He is specifically responsible for all day-to-day operational issues.

The Executive Director & CFO plays important role in planning and executing business, reviewing and guiding the Company and support functions and ensuring efficient and effective functioning of the organization as a whole.

The Independent Directors ensure Board effectiveness and maintaining high-quality governance of the organization.

## G. Term of Directors

As per the current laws in India, Independent Directors can hold office for a term of five years which can be extended for another period of five years.

## Composition and Term & Tenure of Director

S.No.	Name of the Director	DIN	Initial Date of appointment	Date of Re-appointment	Category
1	VIMAL KUMAR SHARMA	00954083	13-10-2020	25-09-2021	Managing Director
2	SEEMA MITTAL	06948908	26-09-2014	25-09-2021	Women Director and Executive Director
3	DEEPAK AGARWAL	02247228	19-05-2018	26-09-2018	Non-Executive - Independent Director
4	RAKESH CHAND AGARWAL	03539915	30-09-2011	29-09-2020	Non-Executive - Independent Director
5	VIJAY KUMAR JAIN	08208856	28-05-2019	28-09-2019	Non-Executive - Independent Director

## H. Board Meetings' Schedule

Board meetings are usually held at the Corporate Office of the Company located in Kanpur. However,

due to the COVID-19 pandemic, the meetings over the past two years are being held over video-conferencing, in line with the notifications issued by the Ministry of Corporate Affairs. The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and circulated to the Board members as per statutory timelines. The Board meets at least once every quarter to review and approve the quarterly results and other items on the agenda. Additionally, the Board also meets annually for various discussions. Additional Board meetings are held, whenever necessary.

The quorum for Board meetings is either three members or one-third of the total strength of the Board, whichever is higher. During the year, Six Board meetings were held on the below dates:

- a) April 30, 2021;
- b) June 16, 2021;
- c) June 30, 2021;
- d) August 13, 2021
- e) November 11, 2021; and
- f) January 31<sup>st</sup>, 2022

**Table 3: Number of Board meetings and the attendance of Directors during the financial year 2021-22**

S.No.	Name of the Director	DIN	Category	No. of The Board Meeting Held	No. of Board Meeting attended	Last AGM Attended	Other Director ship	Committee Position		Share holding (No of Shares)
1	VIMAL KUMAR SHARMA	00954083	Managing Director	06	02	Yes	6	NIL	02	NIL
2	SEEMA MITTAL	06948908	Women Director and Executive Director	06	04	No	NIL	NIL	01	NIL
3	DEEPAK AGARWAL	02247228	Non-Executive - Independent Director	06	01	Yes	Nil	01	01	NIL
4	RAKESH CHAND AGARWAL	03539915	Non-Executive - Independent Director	06	05	No	1	02	01	NIL
5	VIJAY KUMAR JAIN	08208856	Non-Executive - Independent Director	06	02	No	1	NIL	01	NIL

## **I . Agenda and Minutes of Board & Committee Meetings**

The Company Secretary receives details on the matters which require the approval of the Board/Committees of the Board, from various departments of the Company, well in advance, so that they can be included in the Board/ Committee meeting agenda. The information as required under the Act, SEBI (LODR) Regulations, 2015, and other prevailing laws is made available to the members of the Board/Committee. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meetings. The agenda and minutes of Board and Committee meetings are prepared in compliance with the SEBI (LODR) Regulations, 2015, the Act, including the Rules framed thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India. All the information as specified in Part A of Schedule II to the SEBI (LODR) Regulations, 2015, as and when applicable is placed before the Board for its consideration.

## **J. Compliance Management**

The Company has set-up a robust compliance management process for monitoring and ensuring regulatory compliances by the Company and its global subsidiaries and branches. The Compliance Officer oversees this process and is responsible for obtaining compliance certificates from all departments and entities and reporting compliances to the Board.

Based on reports and certificates from all departments, a consolidated compliance certificate is placed before the Board in quarterly Board Meetings. The Company is constantly striving to strengthen the reporting system to take care of the continuously evolving compliance scenario

## **II. COMMITTEES OF THE BOARD**

### **A. AUDIT COMMITTEE**

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

Brief descriptions of Terms of reference are as under:

- I. Review of financial statements before they are submitted to the Board for adoption;
- II. Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the Auditors:
- III. Review of quarterly , half Yearly and yearly financial statements and Audit Report before they are presented to the Board , focusing inte- alia upon:
  - Accounting Policies and any changes thereto:
  - Ensuring Compliance with the Accounting Standards
  - Compliance with the Laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the Preparation and disclosure of

financial Statements:

- Significant issues arising out of Audit:
  - The Going concern assumption;
  - Major accounting entries based upon exercise of judgment by the management;
  - Any related party transactions i.e. transactions of the Company of Material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with interest of the Company at large
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board 's Report in term of clause ( c ) of Sub- section 3 of section 314 of the Companies Act, 2013
- IV. Review with the management and auditors the adequacy of internal control systems;
- V. Discussions with the Statutory Auditors before commencement of the Audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- VI. Review of the Company's financial and risk management policies;  
Examine reasons for default in payment of interest and repayment of principal amounts to depositors and debenture holders, payment of dividend, payments to creditors and payment of all statutory dues in the prescribed time period;
- VII. Investigating the reasons for substantial defaults, if any, in the payments to the depositors, shareholders (in case of non- payment of declared dividends) and creditors;
- VIII. Review and monitor auditor's independence and performance and effectiveness of the audit process;
- IX. Scrutiny of inter corporate loans & investments;
- X. Valuation of undertaking and assets;
- XI. Monitoring of end use of funds of the public offers;
- XII. Audit Committee to call for comments of the Auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the board;
- XIII. Adequate safeguards against victimization of person who use vigil Mechanism and make provision for direct access to the CEO/Chairman of the Audit Committee in appropriate or exceptional cases;
- XIV. Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- XV. Approval of appointment of CFO (i.e. the whole-time Finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- XVI. Any other terms of references as may be included from time to time as per the SEBI (LODR) Regulations 2015;

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

The Audit Committee comprises of:

<b>Sr.No</b>	<b>Name</b>	<b>Category</b>	<b>Designation</b>
--------------	-------------	-----------------	--------------------

.			
1.	Mr. Deepak Agarwal	Independent	Chairman
2.	Mr. Rakesh Chand Agarwal	Independent	Member
3.	Mr. Vimal Kumar Sharma	Non-Independent	Member

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

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

4 (four) Audit Committee meetings were held on April 30,2021,June 30,2021 August 13,2021, November 11,2021. During The Financial Year and the Gap between does not exceed one Hundred and Twenty days.

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Deepak Agarwal	Independent	Chairman	04	04
Mr. Rakesh Chand Agarwal	Independent	Member	04	04
Mr. Vimal Kumar Sharma	Non-Independent	Member	04	00

#### **B. NOMINATION & REMUNERATION COMMITTEE**

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

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

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

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

SL No.	Name	Category	Designation
1.	Mr. Rakesh Chand Agarwal	Independent	Chairman
2.	Mr. Deepak Agarwal	Independent	Member
3.	Mr. Vijay Kumar Jain	Independent	Member

### Meetings of Nomination and Remuneration Committee

The Nomination and Remuneration Committee met Three times during the year on April 30,2021;August 13,2021 and January 31,2022

SL No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. Rakesh Chand Agarwal	Independent	Chairman	03	03
2.	Mr. Deepak Agarwal	Independent	Member	03	03
3.	Mr. Vijay Kumar Jain	Independent	Member	03	02

### Nomination and Remuneration Policy

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

#### 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. Vimal Kumar Sharma	Non-Independent	Member
3.	Mrs. Seema Mittal	Non-Independent	Member

### Meetings of the Stakeholder's Relationship Committee

The Committee met one time during the year on 13<sup>th</sup> August, 2022.

SI No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. Rakesh Chand Agarwal	Independent	Chairman	01	01
2.	Mr. Vimal Kumar Sharma	Non-Independent	Member	01	00
3.	Mrs. Seema Mittal	Non-Independent	Member	01	01

### 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

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

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

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

## III. REMUNERATION TO DIRECTOR

Within the limits prescribed under the Act, and by the members' resolutions, the NRC determines and recommends to the Company's Board, the remuneration payable to Executive and Non-Executive Directors and thereafter, the Board considers the same for approval. The details of sitting fees/remuneration paid to Directors during the FY 2021-22, are as under:

SL NO	Name and designation	Salary	Other Benefits	Total
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1.	Mr. Vimal Kumar Sharma Managing Director	Nil	Nil	Nil
2.	Mr. Deepak Agarwal Independent Director	Nil	Nil	Nil
3.	Mr. Rakesh Chand Agarwal Independent Director	Nil	Nil	Nil
4.	Mrs. Seema Mittal CFO cum Director	Rs.180000/ -	Nil	Rs.180000/ -
5.	Mr. Vijay Kumar Jain	Nil	Nil	Nil

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

#### IV. SHAREHOLDER'S INFORMATION

##### A. 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
2018-2019	28/09/2019	206, 2 <sup>nd</sup> Floor, Apollo Complex Premises Cooperative Society Ltd., R .K. Singh Marg Parsi Panchayat Road, Andheri (East), Mumbai-400069	02:00P.M.
2019-2020	29/09/2020	Held through Video Conferencing/Other Audio Visual Means ("VC/OAVM") pursuant to notifications issued by Ministry of Corporate Affairs	02:00 P.M.
2020-2021	25/09/2021	Held through Video Conferencing/Other Audio Visual Means ("VC/OAVM") pursuant to notifications issued by Ministry of Corporate Affairs	01:00 P.M.

##### B. 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>.

## V. GENERAL SHAREHOLDER INFORMATION

### 1. Annual General Meeting:

- Day: Thursday
- Date: 29/09/2022
- Time: 01:00 P.M.
- Mode: Video Conferencing/Other Audio Visual Means (VC/OAVM)

### 2. Financial Year

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

### 3. Date of Book closure:

- i. The Books will remain closed from Wednesday, September 21, 2022 to Thursday, September 29, 2022.

### 4. Dividend payment date:

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

### 5. Listing on Stock Exchange:

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

### 6. Stock Code and other related information:

BSE LIMITED	ISIN	CIN
SULABEN <u>508969</u>	INE673M01029	L28920MH1983PLC029879

### 7. Marker Price:

Month	High (Rs)	Low (Rs)
April 2021	1.46	1.25
May 2021	1.45	1.31
June 2021	1.84	1.75
July 2021	3.35	2.32
August 2021	2.55	2.01
September 2021	2.55	2.05

October 2021	2.15	2.00
November 2021	2.34	1.92
December 2021	4.00	3.10
January 2022	6.01	6.01
February 2022	5.87	4.75
March 2022	4.52	4.30

### 8. 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

### 9. Compliance Officer

Mrs. Rekha Kejriwal, has been appointed as the Company Secretary and Compliance Officer by the Board. She can be contacted for any investor related matter relating to the Company. The contact no. is: +91-512-231126, and e-mail id is "sulabhinvestorscell@gmail.com".

### 10. 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. Shareholding pattern of the Company as on 31<sup>st</sup> March 2022

Category	No. of Shares	% of Holding
<b>A) Promoters Holding</b>		
Individuals	22683437	22.58
Bodies Corporate	3000000	2.99
<b>Sub-Total (A)</b>	<b>25683437</b>	<b>25.56</b>
<b>B) Non-Promoters Holding</b>		
Bodies Corporate	21724819	21.62
Individuals	47718253	47.51
HUF	4814911	4.79
TRUST	18400	0.02
Non Resident Indians	28800	0.03
NBFC Registered with RBI	10000	0.01
Clearing Members/House	8958	0.00
IEPF	3000	0.00
FIRMS	464422	0.46
<b>Sub-Total(B)</b>	<b>74791563</b>	<b>74.44</b>
<b>Grand Total(A+B)</b>	<b>100475000</b>	<b>100.00</b>

### 11.Reconciliation of Share Capital:

As stipulated by the Securities and Exchange Board of India (“SEBI”), a Practising Company Secretary carries out the audit of Reconciliation of Share Capital and provides a report to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This reconciliation is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the Board. The audit, inter-alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

### 12. Distribution Schedule as on March 31, 2022:

#### 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	3860	90.21	1685779.00	1.68
5001 To 10,000	130	3.04	1024512.00	1.02
10001 To 20,000	75	1.75	1139201.00	1.13
20001 To 30,000	41	0.96	1044705.00	1.04
30001 To 40,000	17	0.40	609627.00	0.61
40001 To 50,000	20	0.47	897283.00	0.89
50001 To 1,00,000	32	0.75	2399622.00	2.39
1,00,000 and Above	104	2.43	91674271.00	91.24
<b>Total</b>	<b>4279</b>	<b>100.00</b>	<b>100475000.00</b>	<b>100.00</b>

### 13. Dematerialization of Shares and Liquidity:

As on March 31, 2022, 99.67% of the total issued share capital was held in electronic form with National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”).

### 14. 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

### 15.CEO/CFO Certification:

In terms of the requirements of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CFO have submitted necessary certificate to the Board at its meeting held on 30/05/2022 stating the particulars specified under the said clause.

## **VI. OTHER DISCLOSURES**

### **1.Related Party Transactions**

During the Financial Year 2021-22, Company has not entered into any material transactions with any of the related parties as defined under Companies Act, 2013 and regulation 23 of SEBI (LODR) .The Board had already approved a policy for related party transactions which has been uploaded on the Company's website i.e. on [www.sulabh.org.in](http://www.sulabh.org.in). The related Party transactions entered by the Company have been clearly identified in Note No. 4.3 & Note No. 4.3 (Standalone and Consolidated) respectively in the balance sheet section Annexed to this report.

### **2.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.

### **3.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.

### **4. Certificate of Non-Disqualification of Directors**

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

### **5.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. Compliance with Mandatory Requirements:**

The Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015.

As per the criteria given in Regulation 16 of the SEBI (LODR) Regulations, 2015, for the financial year 2021-22 the Company has 1 material subsidiaries, namely, Rodic Coffee Estates Private Limited and has appointed an Independent Director on the Board of these subsidiaries.

Brief details of the Company's subsidiary is given in the Board's Report. Following are the key matters relating to subsidiaries which are regularly taken up in the Audit Committee/Board meeting:

- a) Minutes of all the meetings of subsidiaries held in the previous quarter;
- b) Review of the financial statements, in particular the investments made by the subsidiaries;
- c) Major dealings of subsidiaries' investments, fixed assets, loans, etc.;
- d) Statement of all significant transactions and arrangements;
- e) Compliances by subsidiaries with all applicable laws.

The Company has formulated a policy for determining 'material subsidiaries' and the said policy has been uploaded on the Company's website.

#### **7. Utilization of funds raised through preferential allotment or qualified institutions placement:**

The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR) Regulations, 2015.

#### **8. Certificate by a Practising Company Secretary:**

As required by Clause 10(i) mentioned in Part C of Schedule V of the SEBI (LODR) Regulations, 2015, a certificate has been received from Gopesh Sahu, Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this Report.

#### **9. Statutory Auditor & Fees :**

Soni Sunil & Co. , Chartered Accountants (Firm Registration No. 154913W) have been re-appointed as the Statutory Auditor of the Company for another term of 5 Years. The total fees for all services obtained in the year under review, by the listed entity and its subsidiaries, on a consolidated basis, from the Statutory Auditor is Rs. 1,64,500+GST.

#### **10. Prevention of Sexual Harassment at Workplace:**

There was no complaint received during the year.

#### **11. Loans & Advances in the nature of loans to firms/companies in which Directors are interested:**

During the year, the Company or its subsidiaries have not granted any loan or advances to any firms/companies in which Directors are interested.

#### **12. Disclosure of Accounting Treatment:**

The Company has adopted the prescribed accounting standards i.e. Indian Accounting Standards ("Ind AS"), for preparation of financial statements during the year.

#### **13. CEO and CFO Certification:**

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the CEO and CFO certificate to the Company's Board is annexed to this Report.

#### **14. Corporate Social Responsibility-Green Initiative**

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

#### **DECLARATION OF MANAGING DIRECTOR**

This is to certify that Sulabh Engineers and Services Limited ("the Company") has laid down Code of Ethics, Conduct & Professional Responsibility Policy ("the Code of Conduct") for all the Board members and senior management personnel of the Company and the same is uploaded on the website of the Company at <https://www.sulabh.org.in/company/investors/policies>.

Further, I hereby certify that the members of the Board of Directors and senior management personnel have affirmed the compliance with the Code of Conduct applicable to them during the year ended March 31, 2022.

Vimal Kumar Sharma  
**Managing Director**

Kanpur  
**08.08.2022**



**“Annexure-G”**

**CS GOPESH SAHU**  
**Practicing Company Secretary**

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>S. no</b>	<b>Name of the Director</b>	<b>DIN</b>	<b>Date of appointment</b>
1	VIMAL KUMAR SHARMA	00957926	13/10/2020
2	DEEPAK AGARWAL	02247228	19/05/2018
3	RAKESH CHAND AGARWAL	03539915	02/07/2011
4	SEEMA MITTAL	06948908	26/09/2014
5	VIJAY KUMAR JAIN	08208856	28/05/2019

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

**For CS GOPESH SAHU**

**Company Secretary**

**Place: Kanpur**

**Proprietor**

**Date: 30.05.2022**

**FCS: 7100, CP: 7800**

UDIN: F007100D00039468S

Pee Review Certificate:1515/2021



**SONI SUNIL & CO.**

Chartered Accountants

12 Bharat Smruti CHS Ltd, Modi Patel Road,

Bhayander West, Mumbai –401101, India.

Cell: 9702512000

Email:sunil.soni.ca@gmail.com

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**Sulabh Engineers and Services Limited**

We have examined the companies of conditions of Corporate Governance by Sulabh Engineers and Services Ltd, for the year ended on 31<sup>st</sup> March 2022, 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 SONI SUNIL & CO.  
Chartered Accountants  
Sd/-  
(CA Sunil Soni)  
Proprietor  
M.No.-123634  
FRN-154913W  
UDIN: 22126364AKIQCC3789

Date: 08.08.2022

Place: Mumbai

# SONI SUNIL AND CO

Chartered Accountants

12, Bharat Smruti CHS Ltd., Modi Patel Road, Bhayander West - 401101

email : sunilsoni.ca@gmail.com, mobile : 9702512000

## INDEPENDENT AUDITORS' REPORT

To the Members of Sulabh Engineers & Services Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Sulabh Engineers & Services Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**Sulabh Engineers & Services Limited**

**INDEPENDENT AUDITORS' REPORT (continued)**

**Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

**Sulabh Engineers & Services Limited**  
**INDEPENDENT AUDITORS' REPORT (continued)**

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)**

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, 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. (A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows 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 Ind AS specified under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (a) The Company does not have any pending litigations which would impact its financial position.
  - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**SONI SUNIL AND CO**

**Sulabh Engineers & Services Limited**

**INDEPENDENT AUDITORS' REPORT (continued)**

- (d) (i) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 4.12 b to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented that, to the best of its knowledge and belief, as disclosed in note 4.12 b to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- (e) No dividend is declared by the company during the year
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

**for Soni Sunil & Co.**

Chartered Accountants

Firm's Registration No: 154913W

**CA Sunil Soni**

Proprietor

Membership No: 123634

UDIN: 22126364AKIQCC3789

Mumbai  
30-May-22



## SONI SUNIL AND CO

### Sulabh Engineers & Services Limited

#### Annexure A to the Independent Auditors' Report

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

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2022, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (Other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a Non-Banking Financial Company(NBFC) under section 45-IAof the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided guarantees, granted loans and advances in the nature of loans during the year to companies and other parties, details of which are stated below. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.
- (a) The Company is a Non-Banking Financial Company(NBFC) under section 45-IAof the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activitiesAccordingly, clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year and the terms and conditions of the grant of loans and advances in the nature of loans during the year are, prima facie, not prejudicial to the interest of the Company.

- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given.
- (e) The Company is a Non-Banking Financial Company(NBFC) under section 45-IAof the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activitiesAccordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 (“the Act”) and the Company has not provided any security as specified under Section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act in relation to loans given, guarantees provided and investments made.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax (“GST”)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees’ State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees’ State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute, except as mentioned below:

Name of the statute	Nature of dues	Amount* (Rs. In Lakhs)	amount relates (Financial Year)	where dispute
Income Tax Act, 1961	Income tax	Nil		
Finance Act, 1994	Service tax	Nil		

\* Net of amounts paid under protest amounting to Rs. Nil

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is a Non-banking Financial Company (NBFC) registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) According to the information and explanations provided to us during the course of audit the Company has conducted Non-banking Financial activities with a valid Certificate of Registration from the RBI as per the RBI Act 1934.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**for Soni Sunil & Co.**  
Chartered Accountants  
Firm's Registration No: 154913W

**CA Sunil Soni**  
Proprietor  
Membership No: 123634  
UDIN: 22126364AKIQCC3789

Mumbai  
30-May-22

## **SONI SUNIL AND CO**

### **Sulabh Engineers & Services Limited**

#### **Annexure B to the Independent Auditors' report on the standalone financial statements of Sulabh Engineers & Services Limited for the year ended 31 March 2022**

#### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Sulabh Engineers & Services Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

## **SONI SUNIL AND CO**

### **Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**for Soni Sunil & Co.**

Chartered Accountants

Firm's Registration No: 154913W

**CA Sunil Soni**

Proprietor

Membership No: 123634

UDIN: 22126364AKIQCC3789

Mumbai  
30-May-22

## Balance Sheet

(Rs. In Lakhs)

Particulars	Note No	As at 31 March	
		2022	2021
<b>ASSETS</b>			
<b>1) Financial Assets</b>			
(a) Cash and cash equivalents	2.1	20.31	73.27
(b) Bank Balance other than (a) above		-	-
(c) Receivables		-	-
(d) Loans	2.2	1,565.55	1,332.55
(e) Investments	2.3	401.28	514.91
(f) Other Financial assets	2.4	14.84	16.82
		<b>2,001.98</b>	<b>1,937.55</b>
<b>2) Non-financial Assets</b>			
(a) Deferred tax Assets (Net)	2.5	5.77	2.06
(b) Biological assets other than bearer plants		-	-
(c) Property, Plant and Equipment	2.6	339.95	342.70
(d) Other non-financial assets	2.7	200.99	200.99
		<b>546.70</b>	<b>545.75</b>
<b>Total Assets</b>		<b>2,548.67</b>	<b>2,483.30</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1) Financial Liabilities</b>			
(a) Payables	2.8		
(i) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		3.41161	2.25
		<b>3.41</b>	<b>2.25</b>
<b>2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)		15.00	18.50
(b) Provisions	2.9	5.30	5.30
(c) Deferred tax liabilities (Net)	2.5	-	-
		<b>20.30</b>	<b>23.80</b>
<b>3) EQUITY</b>			
(a) Equity Share capital	2.10	1,004.75	1,004.75
(b) Other Equity	2.11	1,520.21	1,452.50
		<b>2,524.96</b>	<b>2,457.25</b>
<b>Total Liabilities and Equity</b>		<b>2,548.67</b>	<b>2,483.30</b>

## Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Sonil Sunil & Co.  
Chartered Accountants  
FRN : 154913W

CA Sunil Soni  
Proprietor  
Membership No. : 123634  
Mumbai, May 30, 2022

Sd/-  
Vimal Kumar Sharma  
Managing Director  
DIN: 00954083

Sd/-  
CFO  
Seema Mittal

For and on behalf of Board of Directors

Sd/-  
Deepak Agarwal  
Director  
DIN:02247228

Sd/-  
Company Secretary  
Rekha Kejriwal

**Statement of profit and loss**

Particulars	Note No	For the year ended 31 March	
		2022	2021
<b>Revenue from operations</b>			
Interest Income	3.1	118.66	94.92
Net gain on fair value changes	3.2	-	0.87
Other operative income	3.3	39.50	23.98
<b>Total Revenue from operations</b>		<b>158.16</b>	<b>119.77</b>
Other Income (to be specified)	3.4	-	-
<b>Total Income</b>		<b>158.16</b>	<b>119.77</b>
<b>Expenses</b>			
Finance Costs	3.5	-	-
Impairment on financial instruments	3.6	-	0.03
Employee Benefits Expenses	3.7	8.15	7.21
Depreciation, amortization and impairment	2.6	7.17	9.85
Others expenses	3.8	63.63	15.68
<b>Total Expenses</b>		<b>78.94</b>	<b>32.77</b>
<b>Profit/(loss) before tax</b>		<b>79.21</b>	<b>87.00</b>
Tax Expense:			
(1) Current Tax	2.5	15.00	28.87
(2) Prior Period Tax		0.21	
(3) Deferred Tax		-3.71	5.23
<b>Profit/(loss) for the year</b>		<b>67.71</b>	<b>52.90</b>
<b>Other Comprehensive Income</b>	3.9		
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year (net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>67.71</b>	<b>52.90</b>
<b>Earnings per equity share (for continuing and discontinued operations)</b>	3.10		
Basic (Rs.)		0.07	0.05
Diluted (Rs.)		0.07	0.05

**Summary of significant accounting policies**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Sonil Sunil & Co.

Chartered Accountants

FRN : 154913W

Sd/-

CA Sunil Soni

Proprietor

Membership No. : 123634

Mumbai, May 30, 2022

For and on behalf of Board of Directors

Sd/-  
Vimal Kumar Sharma  
Managing Director  
DIN: 00954083

Sd/-  
Deepak Agarwal  
Director  
DIN:02247228

Sd/-  
CFO  
Seema Mittal

Sd/-  
Company Secretary  
Rekha Kejriwal



## Statement of Changes in Equity

## Equity share capital

Particulars	Rs in Lakhs	
	For the year ended 31 March	
	2022	2,021
Balance at the beginning of the year	1,004.75	1,004.75
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,004.75	1,004.75

## Other Equity

Particulars	Reserves and surplus				Other comprehensive income	Rs in Lakhs
	Securities Premium	Retained earnings	Reserve fund as per RBI Act	General reserve		Total other equity
<b>For the year ended 31 March 2022</b>						
Balance as at 31 March 2020	980.00	371.06	77.43	24.01	-	1,452.50
Profit after tax	-	67.71	-	-	-	67.71
Other comprehensive income (net of tax)	-	-	-	-	-	-
	980.00	438.77	77.43	24.01	-	1,520.21
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-13.54	13.54	-	-	-
Others	-	-	-	-	-	-
	-	-13.54	13.54	-	-	-
Balance as at 31 March 2021	980.00	425.23	90.97	24.01	-	1,520.21

Particulars	Reserves and surplus				Other comprehensive income	Rs in Lakhs
	Securities Premium	Retained earnings	Reserve fund as per RBI Act	General reserve		Total other equity
<b>For the year ended 31 March 2021</b>						
Balance as at 31 March 2019	980.00	328.74	66.85	24.01	-	1,399.60
Profit after tax	-	52.90	-	-	-	52.90
Other comprehensive income (net of tax)	-	-	-	-	-	-
	980.00	381.64	66.85	24.01	-	1,452.50
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-10.58	10.58	-	-	-
Others	-	-	-	-	-	-
	-	-10.58	10.58	-	-	-
Balance as at 31 March 2020	980.00	371.06	77.43	24.01	-	1,452.50

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Soni Sunil &amp; Co.

Chartered Accountants

FRN : 154913W

Sd/-

CA Sunil Soni

Proprietor

Membership No. : 123634

Mumbai, May 30, 2022

For and on behalf of Board of Directors

Sd/-

Vimal Kumar Sharma

Managing Director

DIN: 00954083

Sd/-

Deepak Agarwal

Director

DIN:02247228

Sd/-

CFO

Seema Mittal

Sd/-

Company Secretary

Rekha Kejriwal

**Sulabh Engineers & Services Limited**  
**Statement of Cash Flow**

(Rs. In Lakhs)

Particulars	For the year ended 31 March	
	2022	2021
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per statement of Profit and loss	79.21	87.00
Adjustments for :		
Depreciation & amortisation	7.17	9.85
Investment fair value adjustment	-	-0.87
Impairment on Financial Instruments	0.08	-
Others	-	0.86
Operating profit before working capital changes	<b>86.46</b>	<b>96.83</b>
Adjustment for:		
(Increase) /Decrease in Loans	-233.01	-64.02
(Increase) /Decrease in Other financial and Non-Financial Assets	1.99	9.56
(Increase) /Decrease in Investments	113.63	40.15
(Decrease)/Increase in Other Financial and Non-Financial Liabilities	-2.34	11.42
Cash generated from operations	<b>-33.27</b>	<b>93.94</b>
Income Tax	-15.21	-28.87
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>-48.48</b>	<b>65.07</b>
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment		
Purchase of Property, Plant and Equipment including WIP, Investments etc	-4.40	-
Others	-0.08	-
<b>(B) NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-4.48</b>	<b>-</b>
Cash flow from financing activities		
<b>(C) NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
Net increase / (decrease) in cash and cash equivalents	<b>-52.96</b>	<b>65.07</b>
Cash and cash equivalents at the beginning of the year	73.27	8.20
Cash and cash equivalents at the end of the year	20.31	73.27

**Summary of significant accounting policies**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Soni Sunil & Co.**  
**Chartered Accountants**  
**FRN : 154913W**

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

Sd/-  
**CA Sunil Soni**  
**Proprietor**  
**Membership No. : 123634**  
**Mumbai, May 30, 2022**

Sd/-  
**Vimal Kumar Sharma**  
**Managing Director**  
**DIN: 00954083**

Sd/-  
**Deepak Agarwal**  
**Director**  
**DIN:02247228**

Sd/-  
**CFO**  
**Seema Mittal**

Sd/-  
**Company Secretary**  
**Rekha Kejriwal**

## 2.1 Cash and cash equivalents

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
Cash on hand	5.96	5.96
Balance with banks:		
In current account	14.35	67.31
In fixed deposits account (with original maturity of 3 months or less)	-	-
	<b>20.31</b>	<b>73.27</b>

## 2.2 Loans

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
<b>At amortised cost</b>		
Loans repayable on demand - unsecured	1,211.35	888.27
Loans to subsidiary	360.09	450.09
Less: Impairment loss allowance	5.89	5.81
<b>Total</b>	<b>1,565.55</b>	<b>1,332.55</b>
Others - unsecured	-	-
Less: Impairment loss allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Total Loans	1,571.44	1,338.36
Less: Impairment loss allowance	5.89	5.81
<b>Total Loan</b>	<b>1,565.55</b>	<b>1,332.55</b>
Out of the above		
Loans in India		
(i) Public Sector	-	-
(ii) Others	1,571.44	1,338.36
Total	<b>1,571.44</b>	<b>1,338.36</b>
Less: Impairment loss allowance	5.89	5.81
	<b>1,565.55</b>	<b>1,332.55</b>

## Loans

## a) Credit quality of assets

The table below shows year-end stage wise risk classification. The amounts presented are gross of impairment allowances.

## b) Analysis of change in the gross carrying amount of loans

Particulars	Year ended 31 March 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	1,372.36	16.94	-	1,389.30
New disbursements	240.00	-	-	240.00
Assets derecognised	-	-	-	-
Other movements including partial repayments and interest accrued	(57.85)	-	-	(57.85)
<b>Closing Balance</b>	<b>1,554.50</b>	<b>16.94</b>	<b>-</b>	<b>1,571.44</b>

Particulars	Year ended 31 March 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	1,308.31	16.94	-	1,325.25
New disbursements	70.00	-	-	70.00
Assets derecognised	-	-	-	-
Other movements including partial repayments and interest accrued	(5.95)	-	-	(5.95)
<b>Closing Balance</b>	<b>1,372.36</b>	<b>16.94</b>	<b>-</b>	<b>1,389.30</b>

## c) Reconciliation of ECL balance

Particulars	Year ended 31 March 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	4.77	1.04	-	5.81
New disbursements & Other movements	0.75	(0.67)	-	0.08
Assets derecognised	-	-	-	-
<b>Closing Balance</b>	<b>4.77</b>	<b>1.04</b>	<b>-</b>	<b>5.89</b>

Particulars	Year ended 31 March 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	4.76	1.02	-	5.78
New disbursements & Other movements	0.01	0.02	-	0.03
Assets derecognised	-	-	-	-
<b>Closing Balance</b>	<b>4.77</b>	<b>1.04</b>	<b>-</b>	<b>5.81</b>

## 2.3 Investments

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
<b>Investments in equity instruments</b>		
<b>At Deemed cost</b>		
(i) In subsidiary - Rodic Coffee Estates Private Limited	255.00	255.00

	<b>255.00</b>	<b>255.00</b>
<b>At fair value through profit or loss</b>		
(i) In mutual funds	141.90	243.76
Add: Fair value gains / (losses)	(7.53)	5.41
	<b>134.37</b>	<b>249.16</b>
(ii) In gold coins	5.71	5.71
Add: Fair value gains / (losses)	6.21	5.04
	<b>11.91</b>	<b>10.75</b>
<b>Total</b>	<b>401.28</b>	<b>514.91</b>
Out of the above		
In India	401.28	514.91
Outside India		
Total	<b>401.28</b>	<b>514.91</b>

#### 2.4 Other financial assets

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
Advance tax and tax	12.53	6.05
Security deposit	1.50	1.50
Accrued Interest on loans	-	7.78
Advance to suppliers and others	0.81	1.49
<b>Total</b>	<b>14.84</b>	<b>16.82</b>

#### 2.5 Deferred tax assets (net)

(Rs. In Lakhs)

##### Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

Particulars	As at 31 March	
	2022	2021
Profit before tax	79.21	87.00
Current tax expenses	15.00	28.87

##### Deferred tax assets recorded in Balance Sheet

Particulars	As at 31 March	
	2022	2021
Deferred tax relates to the following:		
<b>Deferred tax assets</b>		
Depreciation and amortization	2.83	2.27
Impairment of financial instruments	(0.02)	0.01
Unrealised net loss on fair value changes	2.96	(0.22)
<b>Gross deferred tax assets</b>	<b>5.77</b>	<b>2.06</b>
<b>Deferred tax liabilities</b>		
Unrealised net gain on fair value changes	-	-
<b>Gross deferred tax liabilities</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>5.77</b>	<b>2.06</b>

##### Changes in deferred tax assets recorded in profit or loss

Particulars	As at 31 March	
	2022	2021
Deferred tax relates to the following:		
<b>Deferred tax assets</b>		
Depreciation and amortization	(0.56)	(1.11)
Impairment of financial instruments	0.03	0.16
Unrealised net loss on fair value changes	(3.18)	6.18
Unrealised net gain on fair value changes	-	-
	<b>(3.71)</b>	<b>5.23</b>

**2.7 Other non - financial assets**

Particulars	As at 31 March	
	2022	2021
Capital advances	200.99	200.99
<b>Total</b>	<b>200.99</b>	<b>200.99</b>

**2.8 Payables**

Particulars	As at 31 March	
	2022	2021
<b>(i) Other payable</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues creditors other than micro enterprises and small enterprises	3.41	2.25
<b>Total</b>	<b>3.41</b>	<b>2.25</b>

	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.41	-	-	-	3.41
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

**2.9 Provisions**

Particulars	As at 31 March	
	2022	2021
Provisions retained for sale of non-performing assets as per RBI	5.30	5.30
<b>Total</b>	<b>5.30</b>	<b>5.30</b>

**2.10 Equity**

Particulars	As at 31 March	
	2022	2021
<b>Authorized</b>		
11,00,00,000 (11,00,00,000) equity shares of Rs. 1/- each	1,100.00	1,100.00
<b>Issued, subscribed and paid up</b>		
10,04,75,000 (10,04,75,000) equity shares of Rs. 1/- each	1,004.75	1,004.75

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year**

Particulars	Numbers	in lakhs
Equity share capital issued, subscribed and fully paid-up	10,04,75,000	1,004.75
Add: issued during the year	-	-
<b>As at 1 April 2019</b>	<b>10,04,75,000</b>	<b>1,004.75</b>
As at 1 April 2018	10,04,75,000	1,004.75
Add: issued during the year	-	-
<b>As at 31 March 2020</b>	<b>10,04,75,000</b>	<b>1,004.75</b>
As at 31 March 2020	10,04,75,000	1,004.75
Add: issued during the year	-	-
<b>As at 31 March 2021</b>	<b>10,04,75,000</b>	<b>1,004.75</b>

**(b) Terms/ rights/ restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company (Face value Rs. 1/- per share)**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Nos.	% Holding	Nos.	% Holding
Ruchi Agarwal	5816000	6%	5816000	6%
Sandhya Agarwal	5375000	5%	5375000	5%
<b>Total</b>	<b>11191000</b>	<b>11%</b>	<b>11191000</b>	<b>11%</b>

**(d) Details of Promoters shareholding in the company (Face value Rs. 1/- per share)**

Particulars	No. of Shares	%	No. of Shares	%
RUCHI AGARWAL	5816000	5.79	5816000	5.79
SANDHYA AGARWAL	5375000	5.35	5375000	5.35
SANTOSH KUMAR AGARWAL	4644637	4.62	4644637	4.62
KRISHANA AGARWAL	3180000	3.16	3180000	3.16
MANISH AGARWAL	1675800	1.67	1675800	1.67
SANTOSH KUMAR AGARWAL & SONS	1000000	1.00	1000000	1.00
DEEPA MITTAL	699500	0.70	699500	0.70
MANOJ KUMAR AGARWAL	292500	0.29	292500	0.29
GOVIND MERCANTILE PVT.LTD	3000000	2.99	3000000	2.99
	<b>25683437</b>	<b>25.57</b>	<b>25683437</b>	<b>25.57</b>

**2.11 Other equity**

Particulars	As at 31 March	
	2022	2021
in lakhs		
<b>(i) Securities premium</b>		
Balance at the beginning of the year	980.00	980.00
Add: Received during the year	-	-
<b>Balance at the end of the year</b>	<b>980.00</b>	<b>980.00</b>
<b>(ii) Retained earnings</b>		
Balance at the beginning of the year	371.06	328.74
Profit for the year	67.71	52.90
	<b>438.77</b>	<b>381.64</b>
Appropriations:		
Transfer to reserve fund in terms of section 45-IC of the RBI Act, 1934	13.54	10.58
	<b>13.54</b>	<b>10.58</b>
Balance at the end of the year	<b>425.23</b>	<b>371.06</b>
<b>Other reserves</b>		
<b>(iii) Reserve fund in terms of section 45-IC of the RBI Act, 1934</b>		
Balance at the beginning of the year	77.43	66.85
Add: Received during the year	13.54	10.58
<b>Balance at the end of the year</b>	<b>90.97</b>	<b>77.43</b>
<b>(iv) General reserve</b>		
Balance at the beginning of the year	24.01	24.01
Addition/deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>24.01</b>	<b>24.01</b>
<b>(v) Other comprehensive income</b>		
Balance at the beginning of the year	-	-
Addition/deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total other equity</b>	<b>1,520.21</b>	<b>1,452.50</b>

**Nature and purpose of other equity****(i) Securities Premium**

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**(ii) Retained earnings**

Retained earnings represents the surplus in profit and loss account and appropriations.

**(iii) Reserve fund in terms of section 45-IC of the RBI Act, 1934**

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

**(iv) General reserve**

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.

Particulars	In Lakhs	
	For the year ended 31 March	
	2022	2021
<b>3.1 Interest Income</b>		
<b>On financial assets measured at amortized cost:</b>		
Loans	118.66	94.92
Investments	-	-
Debentures	-	-
<b>Total</b>	<b>118.66</b>	<b>94.92</b>

Particulars	In Lakhs	
	For the year ended 31 March	
	2022	2021
<b>3.2 Net gain on fair value changes</b>		
Realised	-	-
Unrealised	-	0.87
<b>Total</b>	<b>-</b>	<b>0.87</b>

Particulars	In Lakhs	
	For the year ended 31 March	
	2022	2021
<b>3.3 Other Operating Income</b>		
Dividend income	-	-
Profit on trading / sale of shares and securities (net)	39.50	23.98
<b>Total</b>	<b>39.50</b>	<b>23.98</b>

Particulars	In Lakhs	
	For the year ended 31 March	
	2022	2021
<b>3.4 Other Income</b>		
Excess provisions written back	-	-
Profit on sale of Vehicle	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Particulars	In Lakhs	
	For the year ended 31 March	
	2022	2021
<b>3.5 Finance Cost</b>		
Other interest expense	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Particulars	For the year ended 31 March	
	2022	2021
	<b>3.6 Impairment on financial instruments measured at amortised cost</b>	
Loans	-	0.03
<b>Total</b>	<b>-</b>	<b>0.03</b>

The table below shows the ECL Charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Loans	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

The table below shows the ECL Charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Particulars	Year ended 31 March 2021		
	Stage 1	Stage 2	Stage 3
Loans	0.01	0.02	-
<b>Total</b>	<b>0.01</b>	<b>0.02</b>	<b>-</b>

Particulars	In Lakhs	
	For the year ended 31 March	
	2022	2021
<b>3.7 Employee Benefits Expenses</b>		
Salaries and wages	8.15	7.21

Staff welfare expenses	-	-
<b>Total</b>	<b>8.15</b>	<b>7.21</b>

### 3.8 Other Expenses

Particulars	For the year ended 31 March	
	2022	2021
Advertisement	1.12	1.18
Annual fees-Stock Exchange	3.54	3.54
Bank Charges	0.02	0.01
Communication expenses	0.09	0.08
CDSL & NSDL	1.83	1.30
Filing Fee	0.07	0.10
Insurance	0.71	0.94
Legal and professional fees	39.51	4.55
Miscellaneous expenses	0.23	0.19
Net loss on fair value changes	11.78	-
Impairment Loss	0.08	-
Payment to auditors *	0.30	0.30
Printing and stationery	0.01	0.01
Provision for standard assets	-	-
Repairs and maintenance	0.25	0.07
Rent	3.84	3.04
Travelling and conveyance	0.24	0.39
<b>Total</b>	<b>63.63</b>	<b>15.68</b>

### 3.9 Other Comprehensive Income

Particulars	For the year ended 31 March	
	2022	2021
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	-	-
Re-measurement of Defined Benefit Plan	-	-
Less: Income Tax	-	-
Items that will be reclassified to Profit and Loss		
Exchange differences on translating foreign operations	-	-
Less: Income Tax	-	-
	-	-

### 3.10 Earning per Share

Particulars	For the year ended 31 March	
	2022	2021
Profit for the year as per Statement of Profit and Loss	67.71	52.90
Weighted average number of Equity Shares in calculating Basic and Diluted EPS	100475000	100475000
Basic earnings per share	0.07	0.05
Diluted earnings per share	0.07	0.05



**4.1 Contingent liabilities and commitments**

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
(a) Contingent liabilities not provided;	Nil	Nil
(b) Capital and other commitments	Nil	Nil

**4.2 Estimated amount of contracts to be executed**

Particulars	As at 31 March	
	2022	2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

**4.3 Disclosure of transactions with related parties as required by Ind AS 24**

Name of the related party and nature of relationship	Nature of transactions	2022		2021	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
<b>(A) Holding Company, subsidiaries and fellow subsidiaries</b>					
1. Rodic Coffee Estates Private Limited (Subsidiary Company)	Investments in equity shares	-	255.00	-	255.00
	Loans and advances	90.00	360.09	30.00	450.09
<b>(B) Key managerial personnel and their relatives</b>					
1. Seema Mittal (Director, CFO)	Remuneration	1.80	-	1.80	-
2. Siddharth Dwivedi (Company Secretary)	Remuneration	2.60	-	2.97	-
3. Rekha Kejriwal (Company Secretary)	Remuneration	0.90	-	-	-

**4.4 Event after reporting date**

There have been no events after the reporting date that require adjustments/ disclosure in these financial statements

**4.5 Corporate Social Responsibility**

Expenditure required to be incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities are Rs. Nil (Previous Year Rs. Nil)

**4.5 Segment Reporting**

The Company operates in a single reportable segment i.e financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.

**4.6 Financial Instruments- Accounting Classifications And Fair Value Measurements (Ind As 107)**

Particulars	As at 31 March	
	2022	2021
<b>Classification Of Financial Assets And Liabilities :</b>		
<b>Financial Assets at Amortized Cost</b>		
Cash and cash equivalents	20.31	73.27
Loans	1,565.55	1,332.55
Investments	255.00	255.00
Other Financial assets	14.84	16.82
<b>Financial Assets at Fair Value through profit and loss</b>		
Investments	146.28	259.91
<b>TOTAL</b>	<b>2,001.98</b>	<b>1,937.55</b>
<b>Financial Liabilities at Amortized Cost</b>		
Payables	3.41	2.25
<b>TOTAL</b>	<b>3.41</b>	<b>2.25</b>

**4.7 Financial Risk Management Objectives and Policies**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework.

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has exposure to Credit, Liquidity and Market risks arising from financial instruments:

**a. Market Risk**

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

**b. Credit Risk**

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on six broad categories viz: (i) consumer lending, (ii) SME lending, (iii) rural lending, (iv) mortgages, (v) loan against securities, and (vi) commercial lending. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

**Classification of financial assets under various stages**

The Company classifies its financial assets in three stages having the following characteristics:

**Stage 1 :** unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

**Stage 2 :** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

**Stage 3 :** objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro economic conditions.

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant:

**c. Liquidity and interest rate Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate because of change in market interest rates.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

**Maturities of Financial Liabilities**

Particulars	As at 31 March 2022				
	Due from less than 1 year	Due from 1 to 2 Years	Due from 2 to 5 Years	After 5 years	Total
Trade Payables	3.41	-	-	-	3.41
<b>Total</b>	<b>3.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.41</b>
Particulars	As at 31 March 2021				
	Due from less than 1 year	Due from 1 to 2 Years	Due from 2 to 5 Years	After 5 years	Total
Trade Payables	2.25	-	-	-	2.25
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.25</b>

**4.8 Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through a mix of equity, borrowings and operating cash flows.

The Company's Debt Equity ratio is as below:

Particulars	As at 31 March	
	2022	2021
<b>Total Debt</b>	-	-
<b>Total Equity</b>	2,524.96	2,457.25
<b>Debt / Equity Ratio</b>	-	-
<b>Regulatory capital</b>		

Particulars	As at 31 March	
	2022	2021
Tier I Capital		
Tier II Capital		
Risk weighted assets (RWA)		
Tier I CRAR		
Tier II CRAR		
<b>Dividend distribution made and proposed</b>		
Particulars	As at 31 March	
	2022	2021
Dividend distribution made	-	-
Dividend proposed	-	-
	-	-

4.9 A comparison between provisions required under IRACP and impairment allowance made under Ind AS 109

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss Allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 (3-4)	6	7 = (4-6)
Performing assets - Loans						
Standard	Stage- 1	1,554.50	4.91	1,549.60	3.11	1.80
	Stage- 2	16.94	0.98	15.96	0.07	0.92
<b>Sub-Total</b>		<u>1,571.44</u>	<u>5.89</u>	<u>1,565.55</u>	<u>3.18</u>	<u>2.71</u>
Non-performing assets - NPA						
Sub-standard	Stage- 3	-	-	-	-	-
Doubtful - upto 1 year	Stage- 3	-	-	-	-	-
1 to 3 years	Stage- 3	-	-	-	-	-
More than 3 years	Stage- 3	-	-	-	-	-
<b>Sub-Total for doubtful</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss	Stage- 3	-	-	-	-	-
<b>Sub-Total for NPA</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Others	Stage- 1	-	-	-	-	-
	Stage- 2	-	-	-	-	-
	Stage- 3	-	-	-	-	-
<b>Sub-Total</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	Stage- 1	1,554.50	4.91	1,549.60	3.11	1.80
	Stage- 2	16.94	0.98	15.96	0.07	0.92
	Stage- 3	-	-	-	-	-
	<b>Total</b>	<u>1,571.44</u>	<u>5.89</u>	<u>1,565.55</u>	<u>3.18</u>	<u>2.71</u>

4.10 Fair Value Measurement

a. Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Fair values of investments held for trading under FVTPL have been determined under level 1 (refer note no. 48) using quoted market prices of the underlying instruments;

Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3 (refer note no. 48) at fair value based on a discounted cash flow model.

Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;

Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

b. Fair values hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1, level 2 and level 3 during the year.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2022

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-03-2022		401.28		

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-03-2021		514.91		

## Fair value of financial instruments not measured at fair value as at 31 March 2022

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>					
Cash and cash equivalent	20.31	20.31	-	-	20.31
Loans	1,565.55	1,565.55	-	-	1,565.55
Investments	401.28	401.28	-	-	401.28
Other financial assets	14.84	14.84	-	-	14.84
	2,001.98	2,001.98	-	-	2,001.98
<b>Financial liabilities</b>					
Trade payables	-	-	-	-	-
Other payables	3.41	3.41	-	-	3.41
	3.41	3.41	-	-	3.41

## Fair value of financial instruments not measured at fair value as at 31 March 2021

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>					
Cash and cash equivalent	73.27	73.27	-	-	73.27
Loans	1,332.55	1,332.55	-	-	1,332.55
Investments	514.91	-	514.91	-	514.91
Other financial assets	16.82	16.82	-	-	16.82
	1,937.55	1,422.64	514.91	-	1,937.55
<b>Financial liabilities</b>					
Trade payables	-	-	-	-	-
Other payables	2.25	2.25	-	-	2.25
	2.25	2.25	-	-	2.25

## 4.11 Disclosure of loans / advances and investments in its own shares pursuant to Regulation 53 of SEBI (Listing obligations and disclosure requirements) Regulation, 2015

Particulars	As at 31 March	
	2022	2021
i. Loans and advances in the nature of loans to subsidiaries		
Rodic Coffee and Estates Private Limited	360.09	450.09
ii. Deposits	Nil	Nil
iii. Guarantees	Nil	Nil

## 4.12 Additional Regulatory Information

## a. Analytical Ratios

Ratios	Numerator	Denominator	As at 31 March		% Variance
			2022	2021	
Current Ratio (in times)	Current assets	Current liabilities	586.81	861.17	-31.86%
Debt Equity Ratio (in times)	Debt	Shareholders equity	-	-	-
Debt Service Coverage Ration (in times)	Earnings for Debt service (Profit after tax + Depreciation + Profit on sale of property, plant and equipments)	Debt service (Interest+Principal repayments)	-	-	-
Return on equity Ratio (in %)	Net profit for the year	Average shareholders equity	2.68%	2.15%	24.56%
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	0.08	0.06	27.86%
Trade payable turnover ratio	Other expenses	Average trade Payables	-	-	-
Net capital turnover ratio	Revenue from operations	Working capital (current assets - current liabilities)	-	-	-
Net profit ratio (in %)	Net profit for the year	Revenue from operations	16.72%	19.97%	-16.27%
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed (Net worth + borrowings = lease liabilities)	3.14%	3.54%	-11.40%
Return on investments (in %)	Income generated from treasury investments	Average invested funds in treasury investments	25.90%	18.43%	40.51%

## b. Analytical Ratios

Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 4.13 Relationship with struck off companies

Name of the struck off company	Nature of transaction with the struck off company	Balance Outstanding	Relationship with the struck off company if any, to be disclosed

4.14 Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable to those with the current year.

## **1. Notes to standalone financial statements for the year ended 31 March 2022**

### **1.1 Corporate information**

Sulabh Engineers and Services Limited (“the Company”) is a company limited by shares, incorporated on 27 April 1983 and domiciled in India. The Company is engaged in the business of lending. The Company has a diversified lending portfolio across retail, SME and commercial customers. The Company is non-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI).

### **1.2 Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) issued by RBI. The financial statements have been prepared on a going concern basis.

The Company uses accrual basis of accounting except in case of significant uncertainties.

#### **1.2.1 Presentation of financial statements**

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

#### **Critical accounting estimates and judgments**

The preparation of the Company’s financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management’s estimates are based.

Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Fair value of financial instruments [Refer note no. 1.3.11, 4.10]
- Effective Interest Rate (EIR) [Refer note no. 1.3.1(i)]
- Impairment on financial assets [Refer note no. 1.3.4(i)]
- Provisions and other contingent liabilities [Refer note no. 1.3.10 and 4.1]
- Provision for tax expenses [Refer note no. 1.3.6(i)]
- Residual value and useful life of property, plant and equipment [Refer note no. 1.3.7]

### **1.3 Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **1.3.1 Income**

**(i) Interest income**

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 1.3.4(i)] regarded as 'stage 3', the Company recognizes interest income on the amortized cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 1.3.4(i)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non-payment of contractual cash flows is recognized on realization.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognized at the contractual rate of interest.

**(ii) Dividend income**

Dividend income on equity shares is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(iii) Other revenue from operations**

Revenue is measured at fair value of the consideration received or receivable.

**(a) Fees and commission**

The Company recognizes service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognized on rendering of services and products to the customer.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognized on realization.

**(b) Net gain on fair value changes**

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognizes gains/losses on fair value change of financial assets measured as FVTPL and realized gains/losses on de-recognition of financial asset measured at FVTPL and FVOCI.

**(c) Sale of services**

The Company, on de-recognition of financial assets where a right to service the derecognized financial assets for a fee is retained, recognizes the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognized as service income and any decrease is recognized as an expense in the period in which it occurs. The embedded interest component in the service asset is recognized as interest income in line with Ind AS 109 'Financial instruments'.

**(d) Recoveries of financial assets written off**

The Company recognizes income on recoveries of financial assets written off on realization or when the right to receive the same without any uncertainties of recovery is established.



**(iv) Taxes**

Incomes are recognized net of the Goods and Services Tax/Service Tax, wherever applicable.

**1.3.2 Expenditures**

**(i) Finance costs**

Borrowing costs on financial liabilities are recognized using the EIR [refer note no. 3.1(i)].

**(ii) Fees and commission expenses**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognized in the Statement of Profit and Loss on an accrual basis.

**(iii) Taxes**

Expenses are recognized net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

**1.3.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**1.3.4 Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognizes the financial instruments on settlement date.

**(i) Financial assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

**Initial measurement**

All financial assets are recognized initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories:

- a. Debt instruments at amortized cost

- b. Debt instruments at FVOCI
- c. Debt instruments at FVTPL
- d. Equity instruments designated at FVOCI

**a) Debt instruments at amortised cost**

The Company measures its financial assets at amortized cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortized cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortized cost on effective interest rate (EIR). For further details, refer note no. 3.1(i). The expected credit loss (ECL) calculation for debt instruments at amortized cost is explained in subsequent notes in this section.

**(b) Debt instruments at FVOCI**

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognized in other comprehensive income (OCI). The interest income on these assets is recognized in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as long-term investments in Government securities to meet regulatory liquid asset requirement of the Company's deposit program and mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to profit or loss.

**(c) Debt instruments at FVTPL**

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognized on net basis through profit or loss.

The Company's investments into mutual funds, Government securities (trading portfolio) and certificate of deposits for trading and short-term cash flow management have been classified under this category.

**(d) Equity investments designated under FVOCI**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognized in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

**Derecognition of Financial Assets**

The Company derecognizes a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognized, the Company does not have any continuing involvement in the same.

The Company transfers its financial assets through the partial assignment route and accordingly derecognizes the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognized at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognized for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On de-recognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of de-recognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

**Impairment of financial assets**

ECL are recognized for financial assets held under amortized cost, debt instruments measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12-month ECL is recognized. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in

## Notes to standalone financial statements for the year ended 31 March 2022 (contd.)

default or for which there is objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

### **Treatment of the different stages of financial assets and the methodology of determination of ECL**

#### (a) Credit impaired (stage 3)

The Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans.

Interest income is recognized by applying the EIR to the net amortized cost amount i.e. gross carrying amount less ECL allowance.

#### (b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioral trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

#### (c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognized for financial instruments in stage 1. The Company has ascertained default possibilities on past

behavioral trends witnessed for each homogenous portfolio using application/behavioral score cards and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macroeconomic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdown of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 4.7.

**(ii) Financial liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial asset to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

**Initial measurement**

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

**Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortized cost using the EIR [Refer note no. 1.3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognized in the Statement of Profit and Loss.

**De-recognition**

The Company derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

**(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### 1.3.5 Investment in subsidiaries

Investment in subsidiaries is recognized at cost and is not adjusted to fair value at the end of each reporting period.

Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

### 1.3.6 Taxes

#### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (ii) Deferred tax

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 1.3.7 Property, plant and equipment

## Notes to standalone financial statements for the year ended 31 March 2022 (contd.)

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

Depreciation on property, plant and equipment Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except where management estimate of useful life is different. Depreciation commences when the assets are ready for their intended use.

Assets costing Rs. 5,000/- or less have been depreciated over period of one year.

### **1.3.8 Intangible assets and amortization thereof**

Intangible assets, representing software are initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment. The intangible assets are amortized using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income or other expenses, as applicable.

### **1.3.9 Impairment of non-financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

### **1.3.10 Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

### **1.3.11 Fair value measurement**

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into Level I, Level II and Level III based on the lowest level

**Notes to standalone financial statements for the year ended 31 March 2022 (contd.)**

input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy, refer note no. 4.10.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.



**INDEPENDENT AUDITORS' REPORT**

**To the Members of Sulabh Engineers & Services Limited**

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

**Opinion**

We have audited the Consolidated financial statements of Sulabh Engineers & Services Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated balance sheet as at 31 March 2022, the Consolidated statement of profit and loss (including other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and notes to the Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Holding Company as at 31 March 2022, profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

**Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Holding Company's annual report, if we conclude that there is no material misstatement therein.

**Sulabh Engineers & Services Limited**  
**INDEPENDENT AUDITORS' REPORT (continued)**

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, respective management and Board of Directors are responsible for assessing the Holding Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Holding Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

**Sulabh Engineers & Services Limited**  
**INDEPENDENT AUDITORS' REPORT (continued)**

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, 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. (A) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated balance sheet, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (a) The Group does not have any pending litigations which would impact its financial position.
  - (b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

**SONI SUNIL AND CO**

**Sulabh Engineers & Services Limited  
INDEPENDENT AUDITORS' REPORT (continued)**

- (d) (i) The respective Managements has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Respective Management has represented that, to the best of its knowledge and belief, as disclosed in notes to the accounts, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- (e) No dividend is declared by the Holding Company during the year
- (c) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and its subsidiaries to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limits laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

**for Soni Sunil & Co.**  
Chartered Accountants  
Firm's Registration No: 154913W

**CA Sunil Soni**  
Proprietor  
Membership No: 123634  
**UDIN : 22123634AKIQCC3789**

Mumbai  
30-May-22

**SONI SUNIL AND CO**

**Sulabh Engineers & Services Limited**

**Annexure B to the Independent Auditors' report on the Consolidated financial statements of Sulabh Engineers & Services Limited for the year ended 31 March 2022**

**Report on the internal financial controls with reference to the aforesaid Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

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

**Opinion**

We have audited the internal financial controls with reference to Consolidated financial statements of Sulabh Engineers & Services Limited ("the Holding Company") as of 31 March 2022 in conjunction with our audit of the Consolidated financial statements of the Holding Company as at and for the year ended on that date.

In our opinion, the Holding Company has, in all material respects, adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to Consolidated financial statements criteria established by the Holding 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 (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

the Holding Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note. 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 the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated financial statements. 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 with reference to Consolidated financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls with reference to Consolidated financial statements.

## **SONI SUNIL AND CO**

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company's internal financial controls with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated financial statements include 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 Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the Consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, 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 with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**for Soni Sunil & Co.**  
Chartered Accountants  
Firm's Registration No: 154913W

Mumbai  
30-May-22

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

## Consolidated Balance Sheet

(Rs. In Lakhs)

Particulars	Note No	As at 31 March	
		2022	2021
<b>ASSETS</b>			
<b>1) Financial Assets</b>			
(a) Cash and cash equivalents	2.1	105.79	95.82
(b) Bank Balance other than (a) above		-	-
(c) Receivables	2.2	82.61	143.76
(d) Loans	2.3	1,205.46	882.46
(e) Investments	2.4	146.28	259.91
(f) Other Financial assets	2.5	21.99	21.51
	2.6	<b>1,562.14</b>	<b>1,403.46</b>
<b>2) Non-financial Assets</b>			
(a) Deferred tax Assets (Net)	2.7	7.19	1.86
(b) Biological assets other than bearer plants	2.6	61.30	116.12
(c) Property, Plant and Equipment	2.8	2,334.16	2,334.93
(d) Other non-financial assets	2.9	200.99	200.99
		<b>2,603.63</b>	<b>2,653.90</b>
<b>Total Assets</b>		<b>4,165.76</b>	<b>4,057.36</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>1) Financial Liabilities</b>			
(a) Payables	2.10		
(i) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		15.73	16.49
(b) Borrowings	2.11	338.00	338.00
		<b>353.73</b>	<b>354.49</b>
<b>2) Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)		15.00	21.50
(b) Provisions	2.12	9.94	5.30
(c) Deferred tax liabilities (Net)	2.7	-	-
		<b>24.94</b>	<b>26.80</b>
<b>3) EQUITY</b>			
(a) Equity Share capital	2.13	1,004.75	1,004.75
(b) Other Equity	2.11	2,038.94	1,949.15
<b>Equity attributable towards the owner of the company</b>		<b>3,043.69</b>	<b>2,953.90</b>
Non- controlling interest		743.39	722.15
<b>Total Equity</b>		<b>3,787.08</b>	<b>3,676.05</b>
<b>Total Liabilities and Equity</b>		<b>4,165.76</b>	<b>4,057.34</b>

## Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Soni Sunil &amp; Co.

For and on behalf of Board of Directors

Chartered Accountants

FRN : 154913W

Sd/-

CA Sunil Soni

Proprietor

Membership No. : 123634

Mumbai, May 30, 2022

Sd/-

Vimal Kumar Sharma

Managing Director

DIN: 00954083

Sd/-

Rakesh Chand Agarwal

Director

DIN: 03539915

Sd/-

CFO

Seema Mittal

Sd/-

Company Secretary

Rekha Kejriwal

**Consolidated Statement of profit and loss**

Particulars	Note No	For the year ended 31 March	
		2022	2021
<b>Revenue from operations</b>			
Interest Income	3.1	118.66	94.92
Net gain on fair value changes	3.2	-	0.87
Other operative income	3.3	39.50	23.98
Sale of Products	3.4	216.24	127.08
<b>Total Revenue from operations</b>		<b>374.40</b>	<b>246.86</b>
Other Income (to be specified)	3.5	-0.11	1.29
<b>Total Income</b>		<b>374.29</b>	<b>248.15</b>
<b>Expenses</b>			
Finance Costs	3.6	-	0.01
Impairment on financial instruments	3.7	-	0.03
Changes in Inventory of Finished goods and Stock in Trade	3.8	54.83	-58.66
Employee Benefits Expenses	3.9	21.25	21.34
Depreciation, amortization and impairment	2.8	15.13	19.34
Others expenses	3.10	159.77	122.29
<b>Total Expenses</b>		<b>250.98</b>	<b>104.35</b>
<b>Profit/(loss) before tax</b>		<b>123.32</b>	<b>143.79</b>
Tax Expense:			
(1) Current Tax	2.5	17.41	31.87
(2) Prior Period Tax		0.21	
(3) Deferred Tax		-5.33	5.23
<b>Profit/(loss) for the year</b>		<b>111.02</b>	<b>106.69</b>
<b>Other Comprehensive Income</b>	3.9		
(A) (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year (net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>111.02</b>	<b>106.69</b>
<b>Profit for the year attributable to</b>			
Equity owners of the company		89.80	80.34
Non-controlling interest		21.22	26.35
		<b>111.02</b>	<b>106.69</b>
<b>Earnings per equity share (for continuing and discontinued operations)</b>	3.10		
Basic (Rs.)		0.11	0.11
Diluted (Rs.)		0.11	0.11

**Summary of significant accounting policies**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Sonil Sunil & Co.

Chartered Accountants

FRN : 154913W

Sd/-

CA Sunil Soni

Proprietor

Membership No. : 123634

Mumbai, May 30, 2022

For and on behalf of Board of Directors

Sd/-

Vimal Kumar Sharma

Managing Director

DIN: 00954083

Sd/-

Rakesh Chand Agarwal

Director

DIN: 03539915

Sd/-

CFO

Seema Mittal

Sd/-

Company Secretary

Rekha Kejriwal



## Statement of Changes in Equity

## Equity share capital

Particulars	Rs in Lakhs	
	For the year ended 31 March 2022	2,021.00
Balance at the beginning of the year	1,004.75	1,004.75
Changes in equity share capital during the year	-	-
Balance at the end of the year	1,004.75	1,004.75

## Other Equity

Particulars	Reserves and surplus				Other comprehensive income	Total other equity
	Securities Premium	Retained earnings	Reserve fund as per RBI Act	General reserve		
<b>For the year ended 31 March 2022</b>						
Balance as at 31 March 2020	980.00	424.86	77.43	24.01	-	1,506.29
Profit after tax	-	111.02	-	-	-	111.02
Other comprehensive income (net of tax)	-	-	-	-	-	-
	980.00	535.88	77.43	24.01	-	1,617.32
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-22.20	22.20	-	-	-
Others	-	-	-	-	-	-
	-	-22.20	22.20	-	-	-
Balance as at 31 March 2021	980.00	513.67	99.63	24.01	-	1,617.32
<b>For the year ended 31 March 2021</b>						
Balance as at 31 March 2019	980.00	328.74	66.85	24.01	-	1,399.60
Profit after tax	-	106.69	-	-	-	106.69
Other comprehensive income (net of tax)	-	-	-	-	-	-
	980.00	435.43	66.85	24.01	-	1,506.29
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-10.58	10.58	-	-	-
Others	-	-	-	-	-	-
	-	-10.58	10.58	-	-	-
Balance as at 31 March 2020	980.00	424.86	77.43	24.01	-	1,506.29

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Soni Sunil & Co.  
Chartered Accountants  
FRN : 154913W

Sd/-  
CA Sunil Soni  
Proprietor  
Membership No. : 123634  
Mumbai, May 30, 2022

For and on behalf of Board of Directors

Sd/-  
Vimal Kumar Sharma  
Managing Director  
DIN: 00954083

Sd/-  
Rakesh Chand Agarwal  
Director  
DIN: 03539915

Sd/-  
CFO  
Seema Mittal

Sd/-  
Company Secretary  
Rekha Kejriwal

**Sulabh Engineers & Services Limited**  
**Consolidated Statement of Cash Flow**

(Rs. In Lakhs)

Particulars	For the year ended 31 March	
	2022	2021
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax as per statement of Profit and loss	123.32	143.81
Adjustments for :		
Depreciation & amortisation	15.13	19.34
Investment fair value adjustment	-	-0.87
Impairment on Financial Instruments	0.08	-
Others	-	0.86
Operating profit before working capital changes	<b>138.52</b>	<b>163.13</b>
Adjustment for:		
(Increase) /Decrease in Loans	-323.01	-64.02
(Increase) /Decrease in Other financial and Non-Financial Assets	115.49	90.70
(Increase) /Decrease in Investments	113.63	40.14
(Decrease)/Increase in Other Financial and Non-Financial Liabilities	-2.62	-87.28
Cash generated from operations	<b>42.01</b>	<b>142.66</b>
Income Tax	-17.62	-31.87
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>24.39</b>	<b>110.79</b>
Cash flow from investing activities		
Payment for purchase and construction of property, plant and equipment		
Purchase of Property, Plant and Equipment including WIP, Investments etc	-14.34	-
Others	-	-
<b>(B) NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-14.34</b>	<b>-</b>
Cash flow from financing activities		
	-0.08	-30.00
<b>(C) NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-0.08</b>	<b>-30.00</b>
Net increase / (decrease) in cash and cash equivalents	<b>9.97</b>	<b>80.79</b>
Cash and cash equivalents at the beginning of the year	95.82	15.02
Cash and cash equivalents at the end of the year	105.79	95.82

**Summary of significant accounting policies**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For Soni Sunil & Co.**  
**Chartered Accountants**  
**FRN : 154913W**

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

Sd/-  
**CA Sunil Soni**  
**Proprietor**  
**Membership No. : 123634**  
**Mumbai, May 30, 2022**

Sd/-  
**Vimal Kumar Sharma**  
**Managing Director**  
**DIN: 00954083**

Sd/-  
**Rakesh Chand Agarwal**  
**Director**  
**DIN: 03539915**

Sd/-  
**CFO**  
**Seema Mittal**

Sd/-  
**Company Secretary**  
**Rekha Kejriwal**

**2.1 Cash and cash equivalents**

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
Cash on hand	35.91	21.29
Balance with banks:		
In current account	69.88	74.53
In fixed deposits account (with original maturity of 3 months or less)	-	-
	<b>105.79</b>	<b>95.82</b>

**2.2 Receivables**

Particulars	As at 31 March	
	2022	2021
Considered good	82.61	143.76
Considered doubtful		
Less: Allowances	-	-
	<b>82.61</b>	<b>143.76</b>

**2.3 Loans**

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
<b>At amortised cost</b>		
Loans repayable on demand - unsecured	1,211.35	888.27
Loans to subsidiary	360.09	450.09
Less: Impairment loss allowance	5.89	5.81
Less: Mutual Owing	360.09	450.09
<b>Total</b>	<b>1,205.46</b>	<b>882.46</b>
Others - unsecured	-	-
Less: Impairment loss allowance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Total Loans	1,211.35	888.27
Less: Impairment loss allowance	5.89	5.81
<b>Total Loans</b>	<b>1,205.46</b>	<b>882.46</b>
Out of the above		
Loans in India		
(i) Public Sector	-	-
(ii) Others	1,211.35	1,338.36
Total	<b>1,211.35</b>	<b>1,338.36</b>
Less: Impairment loss allowance	5.89	5.81
	<b>1,205.46</b>	<b>882.46</b>

**Loans****a) Credit quality of assets**

The table below shows year-end stage wise risk classification. The amounts presented are gross of impairment allowances.

**b) Analysis of change in the gross carrying amount of loans**

Particulars	Year ended 31 March 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	1,321.13	17.23	-	1,338.36
New disbursements	240.00	-	-	240.00
Assets derecognised	-	-	-	-
Other movements including partial repayments and interest accruals	(57.85)	-	-	(57.85)
<b>Closing Balance</b>	<b>1,503.27</b>	<b>17.23</b>	<b>-</b>	<b>1,520.50</b>

Particulars	Year ended 31 March 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	1,257.08	17.23	-	1,274.31
New disbursements	70.00	-	-	70.00
Assets derecognised	-	-	-	-
Other movements including partial repayments and interest accruals	(5.95)	-	-	(5.95)
<b>Closing Balance</b>	<b>1,321.13</b>	<b>17.23</b>	<b>-</b>	<b>1,338.36</b>

**c) Reconciliation of ECL balance**

Particulars	Year ended 31 March 2022			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	4.77	1.04	-	5.81
New disbursements & Other movements	0.75	(0.67)	-	0.08
Assets derecognised	-	-	-	-
<b>Closing Balance</b>	<b>4.77</b>	<b>1.04</b>	<b>-</b>	<b>5.89</b>

Particulars	Year ended 31 March 2021			Total
	Stage 1	Stage 2	Stage 3	
Opening balance	4.76	1.02	-	5.78

New disbursements & Other movements	0.01	0.02	-	0.03
Assets derecognised	-	-	-	-
<b>Closing Balance</b>	<b>4.77</b>	<b>1.04</b>	<b>-</b>	<b>5.81</b>

Notes to Consolidated financial statements for the year ended 31 March, 2022

**2.4 Investments**

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
<b>At fair value through profit or loss</b>		
(i) In mutual funds	141.90	243.76
Add: Fair value gains / (losses)	(7.53)	5.41
	<b>134.37</b>	<b>249.16</b>
(ii) In gold coins	5.71	5.71
Add: Fair value gains / (losses)	6.21	5.04
	<b>11.91</b>	<b>10.75</b>
<b>Total</b>	<b>146.28</b>	<b>259.91</b>
Out of the above		
In India	146.28	259.91
Outside India		
Total	<b>146.28</b>	<b>259.91</b>

**2.5 Other financial assets**

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
Advance tax and tax	12.53	6.05
Security deposit	1.55	1.55
GST Recoverable	7.00	4.48
Accrued Interest on loans	-	7.78
Advance to suppliers and others	0.91	1.64
Total	<b>21.99</b>	<b>21.51</b>

**2.6 Inventories including biological assets**

Particulars	As at 31 March	
	2022	2021
Finished Goods	61.30	116.12
Total	61.30	116.12

**2.7 Deferred tax assets (net)**

(Rs. In Lakhs)

**Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate**

Particulars	As at 31 March	
	2022	2021
Profit before tax	123.32	143.79
Current tax expenses	17.41	31.87

**Deferred tax assets recorded in Balance Sheet**

Particulars	As at 31 March	
	2022	2021
Deferred tax relates to the following:		
<b>Deferred tax assets</b>		
Depreciation and amortization	4.44	2.27
Impairment of financial instruments	(0.02)	0.01
Unrealised net loss on fair value changes	2.96	(0.22)
Gross deferred tax assets	<b>7.39</b>	<b>2.06</b>
<b>Deferred tax liabilities</b>		
Unrealised net gain on fair value changes	-	-
Gross deferred tax liabilities	-	-
Deferred tax assets/(liabilities), net	<b>7.39</b>	<b>2.06</b>

**Changes in deferred tax assets recorded in profit or loss**

Particulars	As at 31 March	
	2022	2021
Deferred tax relates to the following:		
<b>Deferred tax assets</b>		
Depreciation and amortization	(2.17)	(1.11)
Impairment of financial instruments	0.03	0.16
Unrealised net loss on fair value changes	(3.18)	6.18
Unrealised net gain on fair value changes	-	-

(5.33) 5.23

Notes to Consolidated financial statements for the year ended 31 March, 2022

2.9 Other non - financial assets

` in lakhs

Particulars	As at 31 March	
	2022	2021
Capital advances	200.99	200.99
Total	200.99	200.99

2.10 Payables

` in lakhs

Particulars	As at 31 March	
	2022	2021
<b>(i) Trade payable</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues creditots other than micro enterprises and small enterprises	12.32	12.37
	<b>12.32</b>	<b>12.37</b>
<b>(ii) Other payable</b>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues creditots other than micro enterprises and small enterprises	3.41	4.11
	<b>3.41</b>	<b>4.11</b>
<b>Total</b>	<b>15.73</b>	<b>16.48</b>

	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.73	-	-	-	15.73
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

2.11 Borrowings

` in lakhs

Particulars	As at 31 March	
	0	0
Unsecured Borrowings		
From Directors	338.00	338.00
From Parent Company from Others	360.09	480.09
Total	698.09	818.09
Less: Mutual owing	360.09	480.09
Total	338.00	338.00

2.12 Provisions

` in lakhs

Particulars	As at 31 March	
	2022	2021
Provisions retained for sale of non-performing assets as per RBI	5.30	5.30
Other Provisions	4.64	
Total	9.94	5.30

2.10 Equity

` in lakhs

Particulars	As at 31 March	
	2022	2021
<b>Authorized</b>		
11,00,00,000 (11,00,00,000) equity shares of Rs. 1/- each	1,100.00	1,100.00
<b>Issued, subscribed and paid up</b>		
10,04,75,000 (10,04,75,000) equity shares of Rs. 1/- each	1,004.75	1,004.75

(a) Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	Numbers	` in lakhs
Equity share capital issued, subscribed and fully paid-up	10,04,75,000	1,004.75
Add: issued during the year	-	-
<b>As at 1 April 2019</b>	<b>10,04,75,000</b>	<b>1,004.75</b>
As at 1 April 2018	10,04,75,000	1,004.75
Add: issued during the year	-	-
<b>As at 31 March 2020</b>	<b>10,04,75,000</b>	<b>1,004.75</b>

As at 31 March 2020	10,04,75,000	1,004.75
Add: issued during the year	-	-
<b>As at 31 March 2021</b>	<b>10,04,75,000</b>	<b>1,004.75</b>

**(b) Terms/ rights/ restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company (Face value Rs. 1/- per share)**

Particulars	As at 31-03-2022		As at 31-03-2021	
	Nos.	% Holding	Nos.	% Holding
Ruchi Agarwal	5816000	6%	5816000	6%
Sandhya Agarwal	5375000	5%	5375000	5%
<b>Total</b>	<b>11191000</b>	<b>11%</b>	<b>11191000</b>	<b>11%</b>

**2.11 Other equity**

in lakhs

Particulars	As at 31 March	
	2022	2021
<b>(i) Securities premium</b>		
Balance at the beginning of the year	980.00	980.00
Add: Received during the year	-	-
<b>Balance at the end of the year</b>	<b>980.00</b>	<b>980.00</b>
<b>(ii) Retained earnings</b>		
Balance at the beginning of the year	867.71	797.94
Profit for the year	89.80	80.34
	<b>957.50</b>	<b>878.29</b>
Appropriations:		
Transfer to reserve fund in terms of section 45-IC of the RBI Act, 1934	13.54	10.58
	<b>13.54</b>	<b>10.58</b>
Balance at the end of the year	<b>943.96</b>	<b>867.71</b>
<b>Other reserves</b>		
<b>(iii) Reserve fund in terms of section 45-IC of the RBI Act, 1934</b>		
Balance at the beginning of the year	77.43	66.85
Add: Received during the year	13.54	10.58
<b>Balance at the end of the year</b>	<b>90.97</b>	<b>77.43</b>
<b>(iv) General reserve</b>		
Balance at the beginning of the year	24.01	24.01
Addition/deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>24.01</b>	<b>24.01</b>
<b>(v) Other comprehensive income</b>		
Balance at the beginning of the year	-	-
Addition/deduction during the year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total other equity</b>	<b>2,038.94</b>	<b>1,949.15</b>

**Nature and purpose of other equity****(i) Securities Premium**

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

**(ii) Retained earnings**

Retained earnings represents the surplus in profit and loss account and appropriations.

**(iii) Reserve fund in terms of section 45-IC of the RBI Act, 1934**

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

**(iv) General reserve**

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.

3.1 Interest Income		In Lakhs	
Particulars	For the year ended 31 March		
	2022	2021	
<b>On financial assets measured at amortized cost:</b>			
Loans	118.66	94.92	
Investments	-	-	
Debentures	-	-	
<b>Total</b>	<b>118.66</b>	<b>94.92</b>	
3.2 Net gain on fair value changes		In Lakhs	
Particulars	For the year ended 31 March		
	2022	2021	
Realised	-	-	
Unrealised	-	0.87	
<b>Total</b>	<b>-</b>	<b>0.87</b>	
3.3 Other Operating Income		In Lakhs	
Particulars	For the year ended 31 March		
	2022	2021	
Dividend income	-	-	
Profit on trading / sale of shares and securities (net)	39.50	23.98	
<b>Total</b>	<b>39.50</b>	<b>23.98</b>	
3.4 Sale of Product		In Lakhs	
Particulars	For the year ended 31 March		
	2022	2021	
Sale of Products	216.24	127.08	
<b>Total</b>	<b>216.24</b>	<b>127.08</b>	
3.5 Other Income		In Lakhs	
Particulars	For the year ended 31 March		
	2022	2021	
Excess provisions written back	-	-	
Other Income	(0.11)	1.29	
<b>Total</b>	<b>(0.11)</b>	<b>1.29</b>	
3.6 Finance Cost		In Lakhs	
Particulars	For the year ended 31 March		
	2022	2021	
Other interest expense	-	0.01	
<b>Total</b>	<b>-</b>	<b>0.01</b>	
3.7 Impairment on financial instruments measured at amortised cost		In Lakhs	
Particulars	For the year ended 31 March		
	2022	2021	
Loans	-	0.03	
<b>Total</b>	<b>-</b>	<b>0.03</b>	

The table below shows the ECL Charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Loans	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

The table below shows the ECL Charges on financial instruments for the year recorded in the profit and loss based on evaluation stage:

Particulars	Year ended 31 March 2021		
	Stage 1	Stage 2	Stage 3
Loans	0.01	0.02	-
<b>Total</b>	<b>0.01</b>	<b>0.02</b>	<b>-</b>



**3.8 Changes in Inventory of finished goods and Stock in Trade**

Particulars	For the year ended 31 March	
	2022	2021
Closing stock of Finished goods	61.30	116.12
Closing Stock of stock in progress	-	-
	<b>61.30</b>	<b>116.12</b>
Less:		
Opening stock of Finished Goods	116.12	57.46
Opening Stock of Work in progress	-	-
	<b>116.12</b>	<b>57.46</b>
<b>(Increase)/Decrease in stock</b>	<b>54.83</b>	<b>(58.66)</b>

**3.9 Employee Benefits Expenses**

Particulars	For the year ended 31 March	
	2022	2021
Salaries and wages	18.80	19.17
Contribution to provident Fund	0.43	0.30
Staff welfare expenses	2.02	1.87
<b>Total</b>	<b>21.25</b>	<b>21.34</b>

In Lakhs

**3.10 Other Expenses**

Particulars	For the year ended 31 March	
	2022	2021
<b>Manufacturing Expenses</b>		
Agriculture expenses	25.16	29.64
pPesticides	-	-
Consumables	-	-
Consumption of stores and Spares	-	-
Excise Duty on Contract manufacturing	-	-
Freight Inwards	-	-
Labour Contract Charges	54.62	60.42
Power & Fuel	3.21	3.88
Testing Charges & Licenses fees	-	-
Research & Development expenses	-	-
Other Manufacturing Expenses	-	-
<b>Administrative, Selling &amp; Distribution Expenses</b>		
Advertisement	1.12	1.18
Annual fees-Stock Exchange	3.54	3.54
Bank Charges	0.04	0.01
Communication expenses	0.12	0.14
CDSL & NSDL	1.83	1.30
Filing Fee	0.07	0.10
Insurance	1.22	1.54
Legal and professional fees	39.80	5.39
Miscellaneous expenses	0.25	0.24
Net loss on fair value changes	11.78	-
Impairment Loss	0.08	-
Payment to auditors *	0.90	0.90
Postage & Courier	0.00	0.01
Printing and stationery	0.14	0.12
Provision for standard assets	-	-
Repairs and maintenance	11.13	10.19
Rent	4.14	3.04
Travelling and conveyance	0.61	0.65
<b>Total</b>	<b>159.77</b>	<b>122.29</b>

**3.9 Other Comprehensive Income**

Particulars	For the year ended 31 March	
	2022	2021
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	-	-
Re-measurement of Defined Benefit Plan	-	-

Less: Income Tax	-	-
Items that will be reclassified to Profit and Loss		
Exchange differences on translating foreign operations	-	-
Less: Income Tax	-	-
	-	-

### 3.10 Earning per Share

Particulars	For the year ended 31 March	
	2022	2021
Profit for the year as per Statement of Profit and Loss	111.02	106.71
Weighted average number of Equity Shares in calculating Basic and Diluted EPS	100475000	100475000
Basic earnings per share	0.11	0.11
Diluted earnings per share	0.11	0.11

**4.1 Contingent liabilities and commitments**

(Rs. In Lakhs)

Particulars	As at 31 March	
	2022	2021
(a) Contingent liabilities not provided;	Nil	Nil
(b) Capital and other commitments	Nil	Nil

**4.2 Estimated amount of contracts to be executed**

Particulars	As at 31 March	
	2022	2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil

**4.3 Disclosure of transactions with related parties as required by Ind AS 24**

Name of the related party and nature of relationship	Nature of transactions	2022		2021	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
<b>(A) Holding Company, subsidiaries and fellow subsidiaries</b>					
1. Rodic Coffee Estates Private Limited (Subsidiary Company)	Investments in equity shares	-	255.00	-	255.00
	Loans and advances	90.00	360.09	30.00	450.09
<b>(B) Key managerial personnel and their relatives</b>					
1. Seema Mittal (Director, CFO)	Remuneration	1.80	-	1.80	-
2. Siddharth Dwivedi (Company Secretary)	Remuneration	3.73	-	5.34	-
3. Rekha Kejriwal (Company Secretary)	Remuneration	1.32	-	-	-

**4.4 Event after reporting date**

There have been no events after the reporting date that require adjustments/ disclosure in these financial statements

**4.5 Corporate Social Responsibility**

Expenditure required to be incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities are Rs. Nil (Previous Year Rs. Nil)

**4.5 Segment Reporting**

The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.

**4.6 Financial Instruments- Accounting Classifications And Fair Value Measurements (Ind As 107)**

Particulars	As at 31 March	
	2022	2021
<b>Classification Of Financial Assets And Liabilities :</b>		
<b>Financial Assets at Amortized Cost</b>		
Cash and cash equivalents	105.79	95.82
Loans	1,205.46	882.46
Investments	255.00	255.00
Other Financial assets	21.99	21.51
<b>Financial Assets at Fair Value through profit and loss</b>		
Investments	(108.72)	4.91
<b>TOTAL</b>	<b>1,479.52</b>	<b>1,259.69</b>
<b>Financial Liabilities at Amortized Cost</b>		
Payables	353.73	354.49
<b>TOTAL</b>	<b>353.73</b>	<b>354.49</b>

**4.7 Financial Risk Management Objectives and Policies**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework.

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has exposure to Credit, Liquidity and Market risks arising from financial instruments:

**a. Market Risk**

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices. The Company do not have any exposure to foreign exchange rate and equity price risk.

**b. Credit Risk**

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. It has a diversified lending model and focuses on six broad categories viz: (i) consumer lending, (ii) SME lending, (iii) rural lending, (iv) mortgages, (v) loan against securities, and (vi) commercial lending. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

**Classification of financial assets under various stages**

The Company classifies its financial assets in three stages having the following characteristics:

**Stage 1 :** unimpaired and without significant increase in credit risk since initial recognition on which a 12 month allowance for ECL is recognised;

**Stage 2 :** a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

**Stage 3 :** objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when they are 30 days past due (DPD) and are accordingly transferred from stage 1 to stage 2. For stage 1 an ECL allowance is calculated based on a 12 month Point in Time (PIT) probability weighted probability of default (PD). For stage 2 and 3 assets a life time ECL is calculated based on a lifetime PD.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro economic conditions.

Financial instruments other than loans were subjected to simplified ECL approach under Ind AS 109 'Financial Instruments' and accordingly were not subject to sensitivity of future economic conditions.

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant:

**c. Liquidity and interest rate Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate because of change in market interest rates.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities:

**Maturities of Financial Liabilities**

Particulars	As at 31 March 2022				
	Due from less than 1 year	Due from 1 to 2 Years	Due from 2 to 5 Years	After 5 years	Total
Trade Payables	353.73	-	-	-	353.73
<b>Total</b>	<b>353.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>353.73</b>
Particulars	As at 31 March 2021				
	Due from less than 1 year	Due from 1 to 2 Years	Due from 2 to 5 Years	After 5 years	Total
Trade Payables	354.49	-	-	-	354.49
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>354.49</b>

**4.8 Capital Management**

The Company's objective for capital management is to maximize shareholder wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through a mix of equity, borrowings and operating cash flows.

The Company's Debt Equity ratio is as below:

Particulars	As at 31 March	
	2022	2021
<b>Total Debt</b>	-	-
<b>Total Equity</b>	3,043.69	2,953.90
<b>Debt / Equity Ratio</b>	-	-
<b>Regulatory capital</b>		

Particulars	As at 31 March	
	2022	2021
Tier I Capital		
Tier II Capital		
Risk weighted assets (RWA)		
Tier I CRAR		
Tier II CRAR		
<b>Dividend distribution made and proposed</b>		
Particulars	As at 31 March	
	2022	2021
Dividend distribution made	-	-
Dividend proposed	-	-
	-	-

4.9 A comparison between provisions required under IRACP and impairment allowance made under Ind AS 109

Asset Classification as per RBI Norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss Allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	5 (3-4)	6	7 = (4-6)
Performing assets - Loans						
Standard	Stage- 1	1,503.27	4.91	1,498.37	3.01	1.90
	Stage- 2	17.23	0.98	16.25	0.07	0.92
<b>Sub-Total</b>		<u>1,520.50</u>	<u>5.89</u>	<u>1,514.61</u>	<u>3.08</u>	<u>2.82</u>
Non-performing assets - NPA						
Sub-standard	Stage- 3	-	-	-	-	-
Doubtful - upto 1 year	Stage- 3	-	-	-	-	-
1 to 3 years	Stage- 3	-	-	-	-	-
More than 3 years	Stage- 3	-	-	-	-	-
<b>Sub-Total for doubtful</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Loss	Stage- 3	-	-	-	-	-
<b>Sub-Total for NPA</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Others	Stage- 1	-	-	-	-	-
	Stage- 2	-	-	-	-	-
	Stage- 3	-	-	-	-	-
<b>Sub-Total</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	Stage- 1	1,503.27	4.91	1,498.37	3.01	1.90
	Stage- 2	17.23	0.98	16.25	0.07	0.92
	Stage- 3	-	-	-	-	-
	<b>Total</b>	<u>1,520.50</u>	<u>5.89</u>	<u>1,514.61</u>	<u>3.08</u>	<u>2.82</u>

4.10 Fair Value Measurement

a. Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

Fair values of investments held for trading under FVTPL have been determined under level 1 (refer note no. 48) using quoted market prices of the underlying instruments;

Fair values of strategic investments in equity instruments designated under FVOCI have been measured under level 3 (refer note no. 48) at fair value based on a discounted cash flow model.

Fair values of other investments under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;

Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, investments in equity instruments designated at FVOCI, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

b. Fair values hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgement in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement. The significance of a valuation input is assessed against the fair value measurement in its entirety.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1, level 2 and level 3 during the year.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2022

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-03-2022		146.28		

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2021

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-03-2021		259.91		

## Fair value of financial instruments not measured at fair value as at 31 March 2022

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>					
Cash and cash equivalent	105.79	105.79	-	-	105.79
Loans	1,205.46	1,205.46	-	-	1,205.46
Investments	146.28	146.28	-	-	146.28
Other financial assets	21.99	21.99	-	-	21.99
	1,479.52	1,479.52	-	-	1,479.52
<b>Financial liabilities</b>					
Trade payables	-	-	-	-	-
Other payables	15.73	15.73	-	-	15.73
	15.73	15.73	-	-	15.73

## Fair value of financial instruments not measured at fair value as at 31 March 2021

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>					
Cash and cash equivalent	95.82	95.82	-	-	95.82
Loans	882.46	882.46	-	-	882.46
Investments	259.91	-	259.91	-	259.91
Other financial assets	21.51	21.51	-	-	21.51
	1,259.69	999.78	259.91	-	1,259.69
<b>Financial liabilities</b>					
Trade payables	-	-	-	-	-
Other payables	16.49	16.49	-	-	16.49
	16.49	16.49	-	-	16.49

## 4.11 Disclosure of loans / advances and investments in its own shares pursuant to Regulation 53 of SEBI (Listing obligations and disclosure requirements) Regulation, 2015

Particulars	As at 31 March	
	2022	2021
i. Loans and advances in the nature of loans to subsidiaries		
Rodic Coffee and Estates Private Limited	360.09	450.09
ii. Deposits	Nil	Nil
iii. Guarantees	Nil	Nil

## 4.12 Additional Regulatory Information

## a. Analytical Ratios

Ratios	Numerator	Denominator	As at 31 March		% Variance
			2022	2021	
Current Ratio (in times)	Current assets	Current liabilities	4.42	3.96	11.55%
Debt Equity Ratio (in times)	Debt	Shareholders equity	-	-	-
Debt Service Coverage Ration (in times)	Earnings for Debt service (Profit after tax + Depreciation + Profit on sale of property, plant and equipments)	Debt service (Interest+Principal repayments)	-	-	-
Return on equity Ratio (in %)	Net profit for the year	Average shareholders equity	3.65%	3.61%	0.99%
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	0.31	0.24	31.66%
Trade payable turnover ratio	Other expenses	Average trade Payables	-	-	-
Net capital turnover ratio	Revenue from operations	Working capital (current assets - current liabilities)	-	-	-
Net profit ratio (in %)	Net profit for the year	Revenue from operations	16.72%	19.97%	-16.27%
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed (Net worth + borrowings = lease liabilities)	4.05%	4.87%	-16.77%
Return on investments (in %)	Income generated from treasury investments	Average invested funds in treasury investments	58.43%	73.04%	-20.01%

## b. Analytical Ratios

Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

There have been no funds that have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 4.13 Relationship with struck off companies

Name of the struck off company	Nature of transaction with the struck off company	Balance Outstanding	Relationship with the struck off company if any, to be disclosed

4.14 Previous year's figures have been regrouped/ rearranged wherever necessary to make them comparable to those with the current year.

## As per our report of even date

For Sonil Sunil & Co.  
Chartered Accountants  
FRN : 154913W

Sd/-  
CA Sunil Soni  
Proprietor  
Membership No. : 123634  
Mumbai, May 30, 2022

## For and on behalf of Board of Directors

Sd/-  
Vimal Kumar Sharma  
Managing Director  
DIN: 00954083  
Sd/-  
CFO  
Seema Mittal

Sd/-  
Rakesh Chand Agarwal  
Director  
DIN:03539915  
Sd/-  
Company Secretary  
Rekha Kejriwal



## **1. Notes to consolidated financial statements for the year ended 31 March 2022**

### **1.1 Corporate information**

Sulabh Engineers and Services Limited (“the Company”) is a company limited by shares, incorporated on 27 April 1983 and domiciled in India. These consolidated financial statements comprise the Company and its subsidiary (referred to collectively as the ‘Group’) and the ‘Group’s interest in associates.

The Group is engaged in the business of lending and agricultural activities.

### **1.2 Basis of preparation**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act and the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (‘the NBFC Master Directions’) issued by RBI. The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

The financial statements are prepared in accordance with the principle required for the preparation and presentation of consolidated financial statements as laid down under the accounting standards on Consolidated Financial Statements as specified in the Companies (Accounting Standards) Rules, 2006. The financial statements of Samarth Life Sciences private Limited and its subsidiaries have been combined on a line-by-line basis by adding together book values of like item of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain/ loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the group. Minority interests have been excluded. Exchange difference resulting from the difference due to translation of foreign currency assets and liabilities in subsidiaries is disclosed as foreign currency translation reserve.

#### **1.2.1 Presentation of financial statements**

The Company presents its Balance Sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

#### **Critical accounting estimates and judgments**

The preparation of the Company’s financial statements requires Management to make use of estimates and judgments. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management’s estimates are based.

Accounting estimates and judgments are used in various line items in the financial statements for e.g.:

- Fair value of financial instruments [Refer note no. 1.3.11, 4.10]
- Effective Interest Rate (EIR) [Refer note no. 1.3.1(i)]
- Impairment on financial assets [Refer note no. 1.3.4(i)]
- Provisions and other contingent liabilities [Refer note no. 1.3.10 and 4.1]
- Provision for tax expenses [Refer note no. 1.3.6(i)]
- Residual value and useful life of property, plant and equipment [Refer note no. 1.3.7]

### **1.3 Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **1.3.1 Income**

**(i) Interest income**

The Company recognizes interest income using Effective Interest Rate (EIR) on all financial assets subsequently measured at amortized cost or fair value through other comprehensive income (FVOCI). EIR is calculated by considering all costs and incomes attributable to acquisition of a financial asset or assumption of a financial liability and it represents a rate that exactly discounts estimated future cash payments/receipts through the expected life of the financial asset/financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

The Company recognizes interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. In case of credit-impaired financial assets [as set out in note no. 1.3.4(i)] regarded as 'stage 3', the Company recognizes interest income on the amortized cost net of impairment loss of the financial asset at EIR. If the financial asset is no longer credit-impaired [as outlined in note no. 1.3.4(i)], the Company reverts to calculating interest income on a gross basis.

Delayed payment interest (penal interest) levied on customers for delay in repayments/non-payment of contractual cash flows is recognized on realization.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognized at the contractual rate of interest.

**(ii) Dividend income**

Dividend income on equity shares is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(iii) Other revenue from operations**

Revenue is measured at fair value of the consideration received or receivable.

**(a) Fees and commission**

The Company recognizes service and administration charges towards rendering of additional services to its loan customers on satisfactory completion of service delivery.

Fees on value added services and products are recognized on rendering of services and products to the customer.

Foreclosure charges are collected from loan customers for early payment/closure of loan and are recognized on realization.

**(b) Net gain on fair value changes**

Financial assets are subsequently measured at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI), as applicable. The Company recognizes gains/losses on fair value change of financial assets measured as FVTPL and realized gains/losses on derecognition of financial asset measured at FVTPL and FVOCI.

**(c) Sale of services**

The Company, on de-recognition of financial assets where a right to service the derecognized financial assets for a fee is retained, recognizes the fair value of future service fee income over service obligations cost on net basis as service fee income in the statement of profit or loss and, correspondingly creates a service asset in Balance Sheet. Any subsequent increase in the fair value of service assets is recognized as service income and any decrease is recognized as an expense in the period in which it occurs. The embedded interest component in the service asset is recognized as interest income in line with Ind AS 109 'Financial instruments'.

**(d) Recoveries of financial assets written off**

The Company recognizes income on recoveries of financial assets written off on realization or when the right to receive the same without any uncertainties of recovery is established.

**(iv) Taxes**

Incomes are recognized net of the Goods and Services Tax/Service Tax, wherever applicable.

**1.3.2 Expenditures**

**(i) Finance costs**

Borrowing costs on financial liabilities are recognized using the EIR [refer note no. 3.1(i)].

**(ii) Fees and commission expenses**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognized in the Statement of Profit and Loss on an accrual basis.

**(iii) Taxes**

Expenses are recognized net of the Goods and Services Tax/Service Tax, except where credit for the input tax is not statutorily permitted.

**1.3.3 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**1.3.4 Financial instruments**

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

All the financial instruments are recognized on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognizes the financial instruments on settlement date.

**(i) Financial assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

**Initial measurement**

All financial assets are recognized initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

**Subsequent measurement**

For the purpose of subsequent measurement, financial assets are classified into four categories:

- a. Debt instruments at amortized cost
- b. Debt instruments at FVOCI
- c. Debt instruments at FVTPL
- d. Equity instruments designated at FVOCI

**a) Debt instruments at amortised cost**

The Company measures its financial assets at amortized cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgment and considers relevant factors such as the nature of portfolio and the period for which the interest rate is set.

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios.

If cash flows after initial recognition are realized in a way that is different from the Company's

original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortized cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios in the books of the Company, it may sell these portfolios to banks and/or asset reconstruction companies.

After initial measurement, such financial assets are subsequently measured at amortized cost on effective interest rate (EIR). For further details, refer note no. 3.1(i). The expected credit loss (ECL) calculation for debt instruments at amortized cost is explained in subsequent notes in this section.

**(b) Debt instruments at FVOCI**

The Company subsequently classifies its financial assets as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognized in other comprehensive income (OCI). The interest income on these assets is recognized in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as long term investments in Government securities to meet regulatory liquid asset requirement of the Company's deposit program and mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified to profit or loss.

**(c) Debt instruments at FVTPL**

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the Balance Sheet at fair value. Interest and dividend incomes are recorded in interest income and dividend income, respectively according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognized on net basis through profit or loss.

The Company's investments into mutual funds, Government securities (trading portfolio) and certificate of deposits for trading and short term cash flow management have been classified under this category.

**(d) Equity investments designated under FVOCI**

All equity investments in scope of Ind AS 109 'Financial Instruments' are measured at fair value. The Company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognized in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment.

**Derecognition of Financial Assets**

The Company derecognizes a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognized, the Company does not have any continuing involvement in the same.

The Company transfers its financial assets through the partial assignment route and accordingly derecognizes the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Company retains the right to service the financial asset for a fee, it recognizes either a servicing asset or a servicing liability for that servicing contract. A service liability in respect of a service is recognized at fair value if the fee to be received is not expected to compensate the Company adequately for performing the service. If the fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognized for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between:

- the carrying amount (measured at the date of derecognition) and
- the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss.

#### **Impairment of financial assets**

ECL are recognized for financial assets held under amortized cost, debt instruments measured at FVOCI, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' and for which a 12 month ECL is recognized. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Lifetime ECL is recognized for stage 2 and stage 3 financial assets.

At initial recognition, allowance (or provision in the case of loan commitments) is required for ECL towards default events that are possible in the next 12 months, or less, where the remaining life is less than 12 months.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery.

#### **Treatment of the different stages of financial assets and the methodology of determination of ECL**

##### **(a) Credit impaired (stage 3)**

The Company recognizes a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Restructured loans, where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower, are classified as credit impaired. Such loans continue to be in stage 3 until they exhibit regular payment of renegotiated principal and interest over a minimum observation period, typically 12 months—

post renegotiation, and there are no other indicators of impairment. Having satisfied the conditions of timely payment over the observation period these loans could be transferred to stage 1 or 2 and a fresh assessment of the risk of default be done for such loans. Interest income is recognized by applying the EIR to the net amortized cost amount i.e. gross carrying amount less ECL allowance.

(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure. However, unless identified at an earlier stage, 30 days past due is considered as an indication of financial assets to have suffered a significant increase in credit risk. Based on other indications such as borrower's frequently delaying payments beyond due dates though not 30 days past due are included in stage 2 for mortgage loans.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the past customer behavioral trends, credit transition probabilities and macroeconomic conditions. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognized for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioral trends witnessed for each homogenous portfolio using application/behavioral score cards and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macroeconomic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdown of committed facilities.
- LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 4.7.

**(ii) Financial liabilities**

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial asset to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables, debt securities and other borrowings and subordinated debts.

**Initial measurement**

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables, debt securities and other borrowings.

**Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortized cost using the EIR [Refer note no. 1.3.1(i)]. Any gains or losses arising on derecognition of liabilities are recognized in the Statement of Profit and Loss.

**De-recognition**

The Company derecognizes a financial liability when the obligation under the liability is discharged, cancelled or expired.

**(iii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there is an enforceable legal right to offset the recognized amounts with an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**1.3.5 Investment in subsidiaries**

Investment in subsidiaries is recognized at cost and is not adjusted to fair value at the end of each reporting period.

Cost of investment represents amount paid for acquisition of the said investment.

The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

**1.3.6 Taxes**

**(i) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred tax is provided using the Balance Sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets, if any, are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in OCI or in other equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### **1.3.7 Property, plant and equipment**

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 'Property, Plant and Equipment'.

Depreciation on property, plant and equipment Depreciation on property, plant & equipment has been provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except where management estimate of useful life is different. Depreciation commences when the assets are ready for their intended use.

Assets costing Rs. 5,000/- or less have been depreciated over period of one year.

#### **1.3.8 Intangible assets and amortization thereof**

Intangible assets, representing software are initially recognized at cost and subsequently carried at cost less accumulated amortization and accumulated impairment. The intangible assets are amortized using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income or other expenses, as applicable.

#### **1.3.9 Impairment of non-financial assets**

An assessment is done at each Balance Sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.

#### **1.3.10 Provisions and contingent liabilities**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **1.3.11 Fair value measurement**

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.



Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For detailed information on the fair value hierarchy, refer note no. 4.10.

For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### **1.2.12 Biological Assets**

Biological assets are classified as Bearer biological assets and Consumable biological assets.

Consumable biological assets are those that are to be harvested as agricultural produce or sold as biological assets. Bearer Biological Assets which are held to bear agricultural produce are classified as Bearer plants.

Tea bushes, Coffee bushes, Pepper vines, Cardamom tiller and Shade trees are recognised as Bearer biological assets. These are classified as mature Bearer Plants and Immature Bearer Plants. Mature Bearer Plants are those that have attained harvestable stage. Cost incurred for new plantations and immature areas are capitalised. Cost includes cost of land preparation, new planting and maintenance till maturity. The cost of areas coming into bearing is transferred to mature plantations and depreciated over their estimated useful lives.

Bearer plants relating to Coffee and Tea bushes, Pepper vines and minor produces attain a harvestable stage in about 3-5 years. Bearer biological assets are carried at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure on bearer assets are added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 39<sup>th</sup> Annual General Meeting (AGM) of members of Sulabh Engineers and Services Limited will be held on Thursday, September 29, 2022, at 01:00 P.M. (IST), through Video Conferencing/Other Audio Visual Means (VC/OAVM) Facility to transact following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet (Stand Alone and Consolidated) as at March 31, 2022 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 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 139, 140, 141, 142 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, M/s. Satish Soni & Co., Chartered Accountants (Firm Regn. No.: 109333W) be and is hereby appointed as the Auditors of the company, in place of retiring auditor M/S Soni Sunil & Co., Chartered Accountants (FRN:154913W), who has shown his unwillingness to be re-appointed, to hold office from the conclusion of this meeting until the conclusion of 44th AGM of the members of the company, subject to ratification of the appointment by the members at every AGM in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and that the Board of Directors be and is hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Board of Directors and the Auditors."

By the order of Board  
For Sulabh Engineers and Services Limited  
Sd/-  
(Rekha Kejriwal)  
Company Secretary & Compliance Officer

Date: 8<sup>th</sup> August 2022  
Place: Kanpur

**Notes:**

## **General instructions for accessing and participating in the 39<sup>th</sup> AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, MCA has allowed Companies whose AGMs are due in the Year 2022, to conduct their AGMs through Video Conference (VC) or Other Audio Visual Means (OAVM) till 31<sup>st</sup> December, 2022, vide its circular no. 02/2022 dated 05.05.2022 as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.sulabh.org.in](http://www.sulabh.org.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL

(agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 , **MCA General Circular No. 02/2022 dated 05<sup>th</sup> May,2022** and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2022, or become due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on <26<sup>th</sup> September,2022 at 09.00 A.M.> and ends on <28<sup>th</sup> September,2022 at 05.00 P.M.>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 16<sup>th</sup> September,2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.**

Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1** : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will</li> </ol>

	<p>be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget

User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2** : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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 e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10digit 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>• Shareholders who have not updated their PAN with the</li></ul>

	Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
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.</li> </ul>

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Sulabh Engineers and Services Limited> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.



(xv) 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.

(xvi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [sulabheng22@gmail.com](mailto:sulabheng22@gmail.com) (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (sulabheng22@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**Item No.2**

As all the other directors except Mr. Vimal Kumar Sharma and Mrs. Seema Mittal are Independent and Non Executive Directors and are not liable to retire by rotation. As Mr. Vimal Kumar Sharma is the Managing Director of the company not liable to retire by rotation, therefore pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company Mrs. Seema Mittal, retires by rotation at the ensuing Annual General Meeting and offers herself for reappointment.

**Item no.3**

Pursuant to Section 102(1) of the Companies Act, 2013 Item No.3 Appointment of M/s. Satish Soni& Co., Chartered Accountants (FRN 109333W) as Auditors in place of M/s. Soni Sunil & Co., Chartered Accountants (FRN154913W)

M/s. Soni Sunil & Co, Chartered Accountants, the existing Statutory Auditors of the company were appointed as Auditors of the company by the members to hold office from the conclusion of 34th Annual General Meeting until the conclusion of 39th Annual General Meeting.

By their letter dated 25.07.2022 M/s. Soni Sunil & Co., Chartered Accountants have informed the company that they do not wish to continue as Auditors of the company with effect from the conclusion of the ensuing Annual General Meeting to be held on Accordingly, their re-appointment at the ensuing 39th AGM of the company cannot be considered by the members.

At the Meeting held on 8<sup>th</sup> August, 2022 the Board of Directors has recommended the appointment of M/s. Satish Soni& Co., Chartered Accountants as Statutory Auditors of the company, in place of M/s. Soni Sunil & Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of 44th AGM on remuneration to be fixed by the Board of Directors, subject to the approval of the members.

The resolution under this item seeks the approval of the members by an ordinary resolution for the said appointment of the new auditors.

None of the Directors or Key Managerial Personnel of the company their or concerned respective relatives are interested in the foregoing resolution.

Your Directors recommend the ordinary resolution set forth in Item No. 3 for your approval.

By the order of Board  
For Sulabh Engineers and Services Limited  
Sd/-  
(Rekha Kejriwal)  
Company Secretary & Compliance Officer  
Date: 8<sup>th</sup> August, 2022  
Place: Kanpur

**Pursuant to Regulation 36 of SEBI Listing Regulations, the following details are mentioned below for**

**the information of Members**

Proposed audit fee payable to auditors	The fees proposed to be paid to M/s. Satish Soni & Co., Chartered Accountants towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) for financial year 2022- 23 shall be ~` 2.00 lakh p.a.
Terms of appointment	The term of appointment of M/s. Satish Soni & Co., shall be for a period of Five consecutive financial years ending 31st March, 2023 and 31st March, 2027.
Material change in fee payable	No Material change
Basis of recommendation and auditor Credentials	<p>The Audit Committee and the Board, based on the credentials of the firm and partners, asset size of the Company and eligibility criteria prescribed under the Act and RBI Guidelines recommends the appointment M/s. Satish Soni &amp; Co. as Statutory Auditors of the Company</p> <p><b>Brief Profile of Statutory Auditors</b></p> <ul style="list-style-type: none"><li>• M/s Satish Soni &amp; Co. is having the experience of apprx. 32 years in the field and having the experience of conducting Central Audit, Statutory Branch Audit, Concurrent Audit and Revenue audit with the various Banks.</li><li>• They are having vast experience of Project Financing &amp; Credit Appraisal Statutory Audit of Limited &amp; Private Limited Companies, Tax Audit, Internal Audit, Taxation, &amp; Company Law matters.</li></ul>

**Details of Director seeking re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard - 2 on General Meetings]**

NAME	Seema Mittal
FATHER'S NAME	LAXMI NARAIN DALMIA
DIN	06948908
D.O.B.	22/06/1969
ADDRESS	HN. 113/93 Shreedham Apartment Swaroop Nagar, KANPUR- 208002

	Email- seemamittal1969@gmail.com
QUALIFICATION	Graduate
EXPERIENCE	She is business consultant and having good knowledge of legal aspects of business matters with experience of more than fifteen years.
OTHER DIRECTORSHIP	NIL
SHAREHOLDING IN THE COMPANY	NIL