

S U L A B H

ENGINEERS & SERVICES LIMITED

Report
and
Accounts
2010

SULABH ENGINEERS & SERVICES LIMITED

BOARD OF DIRECTORS	..	Shri M.K.Jhunjhunwala Shri Ajay K.Sharma Shri V.K.Jhunjhunwala
BANKERS	..	Bank of India
AUDITORS	..	Messrs. Tulsyan & Tulsyan Chartered Accountants
REGISTERED OFFICE	..	185, Sheikh Memon Street, 3rd Floor, MUMBAI - 400 002.

SULABH ENGINEERS & SERVICES LIMITED

N O T I C E

To the Shareholders

Notice is hereby given that the 27th Annual General meeting of the Members of **SULABH ENGINEERS & SERVICES LIMITED** will be held at its Registered Office at 185, Sheikh Memon Street, 3rd Floor, Mumbai - 400 002 on Thursday, the 15th July 2010 at 10.00 A.M to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Accounts of the Company for the financial year ended 31st March 2010, the Balance sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To elect a Director in place of Shri Ajay K. Sharma, who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and fix their remuneration.

By order of the Board

V.K.Jhunjhunwala
Director.

PLACE: KANPUR
DATED: 24/05/2010

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxy Form duly completed and signed must reach at the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
2. The Register of Members and Share Transfer Register of the Company will be closed from 12-07-2010 to 15-07-2010 (both days inclusive).

SULABH ENGINEERS & SERVICES LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have the pleasure in submitting their 27th Report for the Accounting Year ended on 31st March 2010.

FINANCIAL & OPERATIONAL RESULT

The Company has earned a profit of Rs. 5,42,159/- during the period after making provision for taxes. Barring unforeseen circumstances your directors expect better results during the coming year.

Dividend:

Your directors recommend a dividend of Rs. 0.60 per shares for the year ended 31-03-2010.

Directors:

Shri Ajay K. Sharma will retire from the Board by rotation and being eligible will be proposed for re-election as director at the ensuing Annual General Meeting.

Directors' Responsibility Statement:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

Personnel:

There are no employees covered within the ceiling of the remuneration prescribed under Section 217 (2A) of the Companies Act, 1956.

Auditors :

Messrs. Tulsyan & Tulsyan, Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Compliance Certificate under Companies Act, 1956.

Compliance Certificate issued in terms of the provisions of Section 383A of the Companies Act 1956 by Company Secretaries to the effect that the Company has complied with the applicable provisions of the said Act is attached to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Considering the nature of business of the Company there are no particulars furnished in this report relating to conservation of energy and technology absorption. There were no foreign exchange earnings or outgo during the year.

NBFC Regulations

- (a) The company has been registered with RBI as NBFC.
- (b) The Board of Directors of the Company has passed a resolution for non-acceptance of any public deposits.
- (c) The Company has not accepted any public deposits during the year under reference and there are no outstanding balances of public deposits.
- (d) The company has complied with the prudential norms relating to income recognition, mandatory accounting standards, asset classification and provisioning of bad and doubtful debts as applicable to NBFCs.

For and on behalf of the Board

Place: Kanpur
Dated: 24/05/2010

V.K.Jhunjunwala
Director

REPORT OF THE AUDITORS TO THE SHAREHOLDERS

1. We have audited the attached Balance Sheet of **MESSRS. SULABH ENGINEERS & SERVICES LIMITED** as at 31st March 2010, the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of The Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we further report that: -

- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) None of the fixed assets of the Company have been disposed off during the year.
- ii. (a) The company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion, the rate of interest and other terms and conditions of loans given by the company are not prima facie prejudicial to the interest of the company. The parties are repaying the principal amounts as stipulated and are also regular in payment of interest, where applicable.
- (c) In respect of the aforesaid loans, there is no overdue amount of more than Rupees one Lakh.
- iii. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register in pursuance of Section 301 of Act.
- iv. The company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- v. As per the records verified by us and as explained to us, the Company has been regular in depositing undisputed Income-tax dues and Cess with the appropriate authorities and there were no arrears under the above head which were due for more than six months from the date they became payable as at the close of the year. We have been explained that statutes relating to other statutory dues including Employees State Insurance, Provident Fund, Sales tax, Wealth Tax, Custom Duty, Investor Education and Protection Fund, Excise Duty and Service Tax are not applicable to the Company during the year.
- vi. The company has no accumulated losses as at 31-3-2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- vii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- viii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.

- ix. In our opinion, the company has maintained proper records of transactions and contracts relating to shares and securities entered into during the year and timely entries have been made therein. Further, such securities have been held by the company in its own name.
- x. In our opinion and according to the information and explanation given to us the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xi. The company has not obtained any term loans.
- xii. On the basis of an overall examination of the balance sheet of the company, in our opinion, and according to the information and explanation given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- xiii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xiv. The company has not raised any money by public issues during the year.
- xv. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- xvi. The other clauses of the Companies (Auditor's Report) Order 2003 are not applicable in the case of the company for the current year.

4. Further to our comments as referred above:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for our audit.
- (ii) In our opinion, proper books of accounts have been kept by the Company as required by law so far as appears from our examination of those books.
- (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply, subject to the Notes to Accounts, with the Mandatory Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
- (v) In our opinion, and based on information and explanations given to us, none of the Directors is disqualified as on 31st March 2010 from being appointed as director in terms of Clause(g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2010,
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For Tulsyan & Tulsyan
Chartered Accountants

Mumbai. 24-05-2010

A.K.Tulsyan
Partner
Membership Number.051134

SULABH ENGINEERS & SERVICES LIMITED
BALANCE SHEET AS AT 31st March 2010

P A R T I C U L A R S	Sche- dule	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
(a) Capital	1	24,75,000.00	24,75,000.00
(b) Reserves & Surplus	2	44,92,496.82	41,24,075.26
TOTAL		69,67,496.82	65,99,075.26
APPLICATION OF FUNDS:			
Fixed Assets	3	316.00	351.00
Investments	4	64,35,572.55	63,58,150.66
Current Assets, Loans & Advances:			
(a) Cash & Bank Balance	5	7,13,991.06	1,21,025.60
(b) Loans & Advances	6	91,473.21	4,78,809.00
		8,05,464.27	5,99,834.60
Less : Current Liabilities & Provisions :			
(a) Current Liabilities		61,118.00	1,06,582.00
(b) Provisions	7	2,12,738.00	2,52,679.00
		2,73,856.00	3,59,261.00
Net Current Assets		5,31,608.27	2,40,573.60
TOTAL		69,67,496.82	65,99,075.26

Notes to Accounts 9

As per our report of even date
For **Tulsyan & Tulsyan**
Chartered Accountants

-

(A.K.Tulsyan)
Partner

Mumbai. 24-05-2010

For and on behalf of the Board

V.K. Jhunjunwala }
} }
M.K. Jhunjunwala }

Directors.

Kanpur. 24-05-2010

SULABH ENGINEERS & SERVICES LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2010

P A R T I C U L A R S	Sche- dule	Year ended 31-3-2010 Rs.	Year ended 31-3-2009 Rs.
INCOME:			
Profit on sale of investments		2,51,235.93	7,85,057.01
Interest		85,386.00	86,204.40
Dividend		3,83,024.43	2,21,087.72
		-----	-----
		7,19,646.36	10,92,349.13
		=====	=====
EXPENDITURE:			
Establishment and other expenses	8	1,36,100.80	1,20,167.24
Depreciation		35.00	39.00
		-----	-----
		1,36,135.80	1,20,206.24
		=====	=====
PROFIT :			
Profit before Income-Tax		5,83,510.56	9,72,142.89
Tax Provision for Current Year		39,000.00	78,941.00
Short Income Tax provision for earlier year		2,351.00	-
Provision for Deferred Tax		-	-
		-----	-----
Profit after Taxation		5,42,159.56	8,93,201.89
Profit Brought forward		18,24,075.26	12,04,611.37
		-----	-----
Profit available for Appropriation		23,66,234.82	20,97,813.26
APPROPRIATION :			
Transfer to General Reserve		1,00,000.00	1,00,000.00
Proposed Dividend		1,48,500.00	1,48,500.00
Provision for dividend Distribution Tax		25,238.00	25,238.00
		-----	-----
Profit Carried forward		20,92,496.82	18,24,075.26
		=====	=====
Basic & Diluted Earning Per Share		2.19	3.61

Notes to Accounts

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As per our report of even date

For and on behalf of the Board

For Tulsyan & Tulsyan

Chartered Accountants

V.K. Jhunjunwala }

(A.K.Tulsyan)

Partner

M.K. Jhunjunwala }

Directors.

Mumbai. 24-05-2010

Kanpur. 24-05-2010

SULABH ENGINEERS & SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2010

P A R T I C U L A R S	Year ended 31-3-2010 Rs.	Year ended 31-3-2009 Rs.
A. Cash flow from operating activities:		
Net profit before tax and extraordinary items	5,83,510.56	9,72,142.89
Adjustments for		
Depreciation	35.00	39.00
Profit on sale of Investments	(2,51,235.93)	(7,85,057.01)
Operating profit before working capital changes	3,32,309.63	1,87,124.88
Adjustments for:		
Trade and other receivables	3,87,335.79	(34,362.60)
Trade payables and other liabilities	(45,464.00)	56,210.00
Cash generated from operations	6,74,181.42	2,08,972.28
Less: direct taxes paid	(1,06,530.00)	(46,638.00)
Net cash flow from operating activities...A	5,67,651.42	1,62,334.28
B. Cash flow from investing activities:		
Purchase of investments	(1,02,83,121.02)	(70,88,334.82)
Sale of investments	1,02,05,699.13	70,64,190.41
Profit on Sale of Investment	2,51,235.93	-
Sale of fixed assets	-	-
Net cash flow from investing activities.. B	1,73,814.04	(24,144.41)
C. Cash flow from financing activities:		
Dividends paid	(1,48,500.00)	(1,48,500.00)
Net cash used in financing Activities.... C	(1,48,500.00)	(1,48,500.00)
Net increase/(decrease) in cash and cash Equivalents (A+B+C)	5,92,965.46	(10,310.13)
Cash and cash equivalents opening balance	1,21,025.60	1,31,335.73
Cash and cash equivalents closing balance	7,13,991.06	1,21,025.60

Note: Figures in brackets represent outflows

As per our report of even date.

For **Tulsyan & Tulsyan**

Chartered Accountants

(A.K.Tulsyan)

Partner.

Mumbai. 24/05/2010

For and on behalf of the board

V.K.Jhunjunwala)
)Directors

M.K.Jhunjunwala)

Kanpur. 24/05/2010

SULABH ENGINEERS & SERVICES LIMITED
SCHEDULES AND NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31st March 2010.

	31-3-2010 Rs.	31-3-2009 Rs.
SCHEDULE (1)		
Share Capital		
Authorised		
10,00,000 Equity Shares of Rs.10/- each	1,00,00,000.00	1,00,00,000.00
	-----	-----
Issued, subscribed and paid-up		
2,47,500 Equity Shares of Rs.10/- each fully paid up in cash.	24,75,000.00	24,75,000.00
 SCHEDULE (2)		
Reserves & Surplus		
(a) General Reserves:		
Balance as per last Balance Sheet	23,00,000.00	22,00,000.00
Add: Transfer from Profit & Loss Account	1,00,000.00	1,00,000.00
	-----	-----
	24,00,000.00	23,00,000.00
(b) Profit & Loss Account	20,92,496.82	18,24,075.26
	-----	-----
	44,92,496.82	41,24,075.26
	=====	=====
 SCHEDULE (3)		
Fixed Assets:		
(a) Furniture		
Gross Block		
Original Cost	5,190.00	5,190.00
Less: Depreciation		
Provision upto last year	4,839.00	4,800.00
Provision for the year	35.00	39.00
	-----	-----
Depreciation upto the year	4,874.00	4,839.00
	-----	-----
Net Book value	316.00	351.00
	-----	-----
 SCHEDULE (4)		
Investments (Long Term, at cost)		
Fully paid up unquoted Equity Shares/ Units of Rs.10/- each.		
- (7243) Birla India-OPP. Fund-B(Growth)	-	2,88,000.31
15078(-) Birla Sunlife Frontline Eq.plan- A Div	3,51,005.41	-
- (9219) Franklin India Prima Fund-DIV	-	4,64,999.89
- (3543) HDFC Capital Builder Fund-Growth	-	1,92,000.05
5229 (-) HDFC Index Fund	2,00,000.00	-
6947 (-) HDFC Top 200 Fund-Div	3,22,542.06	-
- (17185) Prud. ICICI Dynamic Plan Div.	-	3,63,697.42
- (3830) Prudential ICICI Power Div.	-	2,39,999.91
- (217701) ICICI Pru. Inst.Income Plan - Div	-	25,76,343.51
27942(-) ICICI Pru. Focu. Eq.Fund Retail-Div	3,77,773.96	-
22687 (-) ICICI Pru. Flexi India Premi. DD	23,99,393.91	-
-(11373)Kotak Opportunities- Dividend	-	2,66,354.84
- (12931) Kotak Bond (Regular) Growth	-	2,15,942.78
111058(-) LIC MF Saving Plus Fund-Daily Div	11,10,584.46	-
8847(8398)Reliance Diver.Power Sec.Fund-Div	4,47,839.70	4,26,844.95
3365 (-) Reliance Growth Fund- Div	1,83,700.05	-
- (8899) Reliance Pharma Fund	-	2,12,199.78
-(892) Rel.Money Manager Fund Retail Opp. DD	-	8,92,967.22

219(-) Rel. Money manager Fund Retail- Wd	2,19,735.79	-
13486 (-)SBNPP Ultra Fund Retail DD	1,35,355.59	-
18003(-)SBNPP Smile-DIV	2,67,200.02	-
391(-) Templeton Ind. Short Term Income RPWD	4,20,441.60	-
-(2188)UTI-ARS Bond Rs.100/- each	-	2,18,800.00
	-----	-----
Total Investments	64,35,572.55	63,58,150.66
	=====	=====

Figures in brackets are for previous year

SCHEDULE (5)

Cash & Bank Balances:

Cash in hand	4,101.23	852.23
Balance with Scheduled Banks		
In Current Account	7,09,889.83	1,20,173.37
	-----	-----
	7,13,991.06	1,21,025.60
	=====	=====

SCHEDULE (6)

Loans & Advances:

(Unsecured and considered good)

Short Term deposits	-	4,35,000.00
Advances (Recoverable in cash or in kind or for value to be received)	62,393.21	8,033.00
Taxes paid net of provisions	29,080.00	35,776.00
	-----	-----
	91,473.21	4,78,809.00
	=====	=====

SCHEDULE (7)

Provisions :

Provision for proposed Dividend	1,48,500.00	1,48,500.00
Provision for Income Tax	39,000.00	78,941.00
Provision for Dividend Distribution Tax	25,238.00	25,238.00
	-----	-----
	2,12,738.00	2,52,679.00
	-----	-----

SCHEDULE (8)

Establishment & other Expenses

Salary	47,220.00	44,568.00
Rent	12,000.00	12,000.00
Bank & Demat Charges	2,010.00	1,378.00
Filing Fees	3,000.00	1,530.00
Listing Fees	14,030.00	14,084.00
Miscellaneous Expenses	250.80	10,934.99
Audit Fees	19,488.00	19,488.00
Advertisement Charges	6,763.00	7,141.00
Professional Fees	25,515.00	5,618.00
Postage & Courier	443.00	764.00
Printing & Stationery	20.00	2,661.25
Securities Transaction Tax	5,361.00	-
	-----	-----
	1,36,100.80	1,20,167.24
	-----	-----

SCHEDULE (9)

Notes to Accounts:

- Provision for deferred tax liability/Assets as on 31-3-2010 - Nil. Deferred tax asset on income tax credit and benefits has not been accounted for in the books of accounts as a measure of prudence and with uncertainty of their ultimate realisation. Amount due to SSI, Micro, Small Enterprises - Nil.
- Related party disclosures:- Expenses incurred - Remuneration and allowances Rs.18,000/- to Key Management Personnel(Director)-Mr.A.K.Sharma.Rent Rs.12,000/- to associate concerns M/s.Chimanram Motilal.
- Previous Year's figures have been regrouped and rearranged wherever necessary.

- d) Interest and Dividend Income are shown gross - Tax deducted at source on Interest Rs.13,680/-(Previous year Rs.17,764/-). Advance/ self assessment tax for the current year has not been fully paid. Interest on delay shall be accounted for as and when balance tax will be paid.
- e) The Company's investment in securities are long term in nature and are being carried at cost. In the opinion of the Directors, there is no need to consider any diminution in the value of Company's investments.
- f) Significant accounting policies.
- 1) Basis of Accounting - The Financial Statements are prepared on Accrual Basis under Historic Cost Convention and in accordance with the Accounting Standards specified by the Institute of Chartered Accountants of India with proper explanations relating to material departures.
 - 2) Fixed Assets - Fixed Assets are stated at cost including any incidental acquisition expenses.
 - 3) Investments - Investments are stated at cost. Income from investments is included together with the related tax credit in the Profit & Loss Account as and when received by the Company.
 - 4) Depreciation is provided on written down value basis of Income Tax Act. The accounting of fixed assets is done as per provision of Income Tax Act, 1961 as Block of Assets.

g. Balance Sheet Abstract and Company's General Business Profile as per part IV of Schedule VI to the Companies Act, 1956

I. Registration Details			
Registration No.	29879	State Code	11
Balance Sheet Date	31-3-2010		
II. Capital Raised during the Year (Amount in Rs.)			
Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL
III. Position of Mobilisation and Deployment of Fund (Amount in Rs.)			
Total Liabilities	69,67,496.82	Total Assets	69,67,496.82
Sources of Funds			
Paid-up Capital	24,75,000	Reserves & Surplus	44,92,496.82
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	316.00	Investments	64,35,572.55
Net Current Assets	5,31,608.27	Misc. Expenditure	NIL
Accumulated Losses	NIL		
IV. Performance of Company (Amount in Rs.)			
Turnover	7,19,646.36	Total Expenditure	1,36,135.80
Profit before Tax	5,83,510.56	Profit after Tax	5,42,159.56
Earning per share in Rs.	2.19	Dividend rate:	6%
V. Generic Names of Three Principle Products/Services of Company (as per monetary terms)			
Product Description	:	INVESTMENTS.	
Item Code No.	:	N.A.	

As per our report of even date.

For **Tulsyan & Tulsyan**
Chartered Accountants

For and on behalf of the board

(A.K.Tulsyan)

Partner.

V.K.Jhunjhunwala)
)
)Directors
)
M.K.Jhunjhunwala)

Mumbai. 24-05-2010

Kanpur. 24-05-2010

