

**SULABH ENGINEERS  
AND  
SERVICES LIMITED**

**30th  
Annual Report 2012-13**

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## Chairman's Message

Dear Shareholders,

I am pleased to share with you the performance of your Company and present the Annual Report for the financial year 2012-13. This financial year has been a moderate year due to uncertain global economic scenario and slow growth of Indian economy. The inflation has also been a serious cause of concern as it remained above normal comfort level through out the year. The rising interest rate and widening of fiscal deficit has also subdued the economic environment. However the Government has taken certain proactive measures and there is marginal improvement in the economic condition.

Owing to domestic uncertainties and other structural factors it was difficult to maintain the pace of our economy but we took this opportunity to reorganize ourselves by reducing costs and widen our clientele base.

Growth brings challenges as well. To demonstrate the high quality of Service and meet challenges Company focused on skill development and technology updation. This step has responded well with reasonably good growth and more results are expected to follow.

Your Company is committed to perform and deliver in better way and maintain a sustainable growth. In this regard, I, along with all Board Members have confidence that the Company will get the continued support and patronage of stakeholder for the fulfillment of objectives of the Company.

With warm regards,

Yours sincerely,

-Sd-

(Manoj Kumar Agarwal)

Whole time Director

**BOARD OF DIRECTORS**

Mr. Manoj Kumar Agarwal	Director
Mr. Niranjan Swaroop Goel	Director
Mr. Santosh Kumar Agarwal	Director
C.A. Rajiv Agarwal	Director
Mr. Rakesh Chand Agarwal	Director
Mr. Guljari Lal Sharma	Director

**AUDITOR**

Satish Soni & Co.  
Chartered Accountants  
006 Leena Apartment, 60 Feet Road,  
Bhayandar (W) Mumbai-401101  
Ph: 022- 28144804/22975716

**BANKER**

BANK OF INDIA  
UNION BANK OF INDIA

**REGISTERED OFFICE**

B-32 APMC MARKET-1 PHASE-II, SECTOR-19, VASHI,  
NAVI MUMBAI-400705

**CORPORATE OFFICE**

17/11, The Mall, Kanpur 208002

**COMPLIANCE OFFICER**

CS Diwaker Dubey

**REGISTRAR AND SHARE TRANSFER AGENT**

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

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

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

## Management Discussion & Analysis

### ECONOMIC CONDITION

G.D.P Growth of INDIA has been lowered to the decade low of 5 per cent in 2012-13 as compared to 6.1% in the previous year because of moderation in all the three sectors namely Agriculture, Industry and Services. Industrial growth continued to remain sluggish in FY'13. Economic growth may improve to 6.1 per cent in the next financial year on the back of reform measures announced after mid-September 2012 as investment climate has improved and industrial growth has recorded positive growth successively during two months (Jan and Feb 2013). Inflation however has now declined to 4.9% in April 2013.

### BUSINESS OVERVIEW

The current financial year turned out to be one of the most challenging years for the financial industry due to uncertain global economic scenario and slow growth of Indian economy. Still the Company is of opinion that there are ample opportunities which are required to be unbound and prepare it to meet all the future challenges. We continue to believe in the potential of Indian financial Market and rising India's income level and remain a focused player. We have firm belief that the Company would be able to benefit and grow from the emerging opportunities in the financial services space.

### PERFORMANCE

Keeping in view the economic scenario and challenges the performance of Company for the financial year 2012-13 has been satisfactory. Company has earned a profit of Rs. 4289527 which is better when compared with the last financial year of Rs. 1479993. However this performance is only a beginning and we hope that future has a lot of things in store for us as company keeps on striving for excellence and better result.

### OUTLOOK

Through experienced professionals your company offers a competitive financial products and services. The Company assists clients in creating a thorough awareness about the risks they face with respect to Capital Raising and Investments. Institutional and Retail Loan portfolio continues to be the thrust area of the company therefore it has strategically re-aligned itself to get a synergetic impact on the performance. The Company continues to believe in the potentials of financial services and of the opinion that there is ample opportunity to grow and flourish in this sector.

### RISK AND CONCERNS

Financial security is built on a sound risk management system. The company is fully aware of this factor and strives to enhance stakeholders' value. The Company assesses internal as well as external environment and implements adequate risk management measures. The appraisal system across the board provides efficient monitoring tool to pre-sense the risk and act swiftly.

### INTERNAL CONTROL SYSTEM

The Company has a well-defined organizational structure for risk management. This takes care of overall management of financial risk and internal control system. Audit committee of the Company oversees the internal audit function and the internal control system. Key issues are specifically brought to the notice of the Audit Committee and discussed in detail along with the action plan. The Company ensures strict compliance of applicable laws and regulation for financial transactions.

### HUMAN RESOURCE CAPITAL

The company recognizes its employees as the most vital and valuable asset. It employs best talent, nurtures them and recognizes their effort in the success of company. The Company has commitment and philosophy of creating and sharing value with its employees and deals them as partners of the Company.

### DISCLAIMER

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

**REPORT ON CORPORATE GOVERNANCE**

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

**1. BOARD OF DIRECTORS**

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

SL

NO.	NAME	DESIGNATION
1.	Mr. Manoj Kumar Agarwal	Executive Director/Promoter
2.	Mr. Santosh Kumar Agarwal	Non-Executive Director/Promoter
3.	Mr. Niranjana Swaroop Goel	CFO cum Director
4.	C.A. Rajiv Agarwal	Independent Director
5.	Mr. Rakesh Chand Agarwal	Independent Director
6-	Mr. Guljhari Lal Sharma	Independent Director

**NUMBER OF BOARD MEETINGS**

During the year the Board met 09 times on 04/04/2012, 30/05/2012, 16/07/2012, 28/09/2012, 02/11/2012, 15/12/2012, 22/01/2013, 12/02/2013, 15/02/2013, and the maximum gap between two board meetings was not more than 4 months.

**DIRECTORS ATTENDANCE RECORD & DIRECTORSHIP HELD**

The Composition and category of the Directors on the Board, and their attendance at the Board meetings during the year and at the last Annual General Meeting as also number of Directorship and Committee Membership/Chairmanship as on 31st March, 2012 are as follows:

Name of Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Directorship	Other Committees
Mr. Manoj Kumar Agarwal	Executive Director/Promoter	09	08	Yes	Nil Member	shareholders/ investors Grievance Committee,
Mr. Niranjana Swaroop Goel *	CFO cum Director	09	02	N/A	Nil Member	Remuneration Committee,
Mr. Santosh Kumar Agarwal	Non-Executive Director/Promoter	09	03	NO	02	Audit Committee Member
C.A. Rajiv Agarwal	Independent	09	07	Yes	Nil	Audit Committee Chairman, shareholders/investors Grievance committee Member, Remuneration committee, Member

Mr. Rakesh Chand Agarwal	Independent Director	09	06	Yes	Nil	Audit Committee Member shareholders/investors committee, Chairman Remuneration committee Chairman
Mrs. Deepa Mittal **	Whole Time Director	09	07	Yes	Nil	
Mr. Guljhari Lal Sharma	Independent Director	09	0	No	Nil	

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\* Appointed on 28 September 2012

\*\* Resigned on 14 Feb 2013

\*\*\* Appointed on 22 August 2013

**DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT**

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

Mr. Niranjana Swaroop Goel is Additional Director of the Company who is eligible for appointment as the regular director of the Company.

**2. COMMITTEE OF THE BOARD**

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

**AUDIT COMMITTEE**

The Composition of Audit Committee is as mentioned herein below:

Sl No.	Name	Designated position in the committee
1.	Rajiv Agarwal	Chairman
2.	Rakesh Chand Agarwal	Member
3.	Niranjana Swaroop Goel	Member

**REMUNERATION COMMITTEE**

The composition of remuneration committee is as follows:

Sl No.	Name	Designated position in the committee
1.	Rakesh Chand Agarwal	Chairman
2.	Rajiv Agarwal	Member
3.	Niranjana Swaroop Goel	Member

**SHAREHOLDER/INVESTOR'S GRIEVANCE COMMITTEE**

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

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

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

#### DETAILS OF REMUNERATION TO THE DIRECTORS

SL. NO	Name and designation	Salary	Other Benefits	Total
1.	Mr. Manoj Kumar Agarwal Whole Time Director	Rs.3,60,000	00	Rs. 3,60,000
2.	Mrs. Deepa Mittal Whole Time Director * Resigned on 14 Feb 2013	Rs.3,15,000	00	Rs. 3,15,000
3.	Mr. Santosh Kumar Agarwal Non-Executive Director	nil	nil	nil
4.	C.A. Rajiv Agarwal Independent Director	nil	nil	nil
5.	Mr. Rakesh Chand Agarwal Independent Director	nil	nil	nil
6.	Niranjan Swaroop Goel CFO cum Director	nil	nil	nil
7.	Mr. Guljhari Lal Sharma Independent Director	nil	nil	nil

#### 3. GENERAL BODY MEETING

Details regarding the last three Annual General Meetings are as follows

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2009-2010	15/07/2010	185 Sheikh Memon Street, 3rd floor, Mumbai-400003	10:00 A.M.
2010-2011	30/09/2011	401 Oriental House, 229/231, Samuel Street, Mumbai-400003	11:00 A.M.
2011-2012	22/08/2012	B-32 APMC Market-1, Phase-II, Sector-19 Vashi, Navi Mumbai-400705	11:00 A.M.

#### DETAILS OF SPECIAL RESOLUTION IN THE LAST THREE AGM

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

#### DETAILS OF SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT PROCESS

The Company passed a resolution through postal ballot to alter Clause V of the Company's Memorandum of Association in consequence of sub- dividing the face value of its equity share from Rs.10/- each to Re 1/- each through postal ballot process.

#### Details of voting pattern are as under:

Number of valid Postal Ballot forms received	43
Votes in favour of the Resolution	59,41,602
Votes against the Resolution	Nil
Number of invalid Postal Ballot forms received	03



**4. DISCLOSURES**

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

**5. MEANS OF COMMUNICATION**

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

**6. GENERAL SHARE HOLDER INFORMATION**

I. Annual General Meeting	:	Date: 27/09/2013 Time: 11:00 AM Venue: B-32 APMC MARKET-1 PHASE-II, SECTOR-19, VASHI, NAVI MUMBAI-400705
II. Financial Year	:	01 April 2012-31 March 2013
III. Date of book closure	:	23/09/2013- 27/09/2013
IV. Dividend payment date	:	N/A

The Directors of the company are of the opinion not to declare dividend for the financial year.

V. Listing on Stock Exchange:	:	BSE Limited, Mumbai U.P. Stock Exchange Limited, Kanpur
VI. Stock Code	:	BSE- 508969
VII. Marker Price	:	Month wise Market price is given below:

MONTH	LOW	HIGH	VOLUME
April 2012	18.90	25.40	850
May 2012	25.90	61.60	1,100
Jun 2012	62.80	91.00	1,050
Jul 2012	92.80	139.90	301
Aug 2012	142.65	210.00	28,705
Sep 2012	212.35	308.40	26,858
Oct 2012	314.55	417.75	86,162
Nov 2012	403.50	419.00	86,513
Dec 2012	391.45	423.65	96,688
Jan 2013	413.00	494.95	1,60,931
Feb 2013	49.00	494.50	6,76,953
Mar 2013	59.00	61.00	28,63,544

VIII. Registrar and Transfer Agent	:	M/S Skyline Financial Services Private D-153-A, 1st floor, Okhla Industrial Area, Phase I, New Delhi- 110020
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IX. Share Transfer System	:	The Company has provided a common agency regarding the Share Registration and Transfer by our Registrar And Transfer Agent i.e. Skyline Financial Services Private Limited, New Delhi within a period of 30 days from the date of receiving, subject to the validity and completeness of documents in all respect.
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## X. Distribution of shareholding:

**Shareholding pattern of the Company as on 31st March 2013**

Category	No. of Shares	Percentage of Holding
Govt(Central & States)	0	0
Govt Companies	0	0
Public financial institution	0	0
Nationalized/Other		
Institutions/Bank	0	0
Mutual Funds	0	0
Venture Capital	0	0
Foreign Holding	0	0
Bodies Corporate	3824680	03.81
Directors/Relative	27707800	27.57
Others	68942520	68.62
<b>TOTAL</b>	<b>100475000</b>	<b>100</b>

**Distribution of Shareholding**

CATEGORY		SHAREHOLDERS	
FROM	TO	NUMBER	PERCENTAGE
UP TO	500	63	11.03
501	1000	18	03.15
1001	2000	61	10.68
2001	3000	79	13.84
3001	4000	36	06.30
4001	5000	42	07.36
5001	10000	76	13.31
10001 &	ABOVE	196	34.33
<b>TOTAL</b>		<b>571</b>	<b>100</b>

## XI. Dematerialization of Shares and Liquidity:

98% of the shares of Company are in dematerialized form.

## XII. Address for correspondence:

17/11 The Mall, Kanpur 208001

## XIII. CEO Certification:

In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO have submitted necessary certificate to the Board at its meeting held on 28/05/2013 stating the particulars specified under the said clause.

**7. CORPORATE SOCIAL RESPONSIBILITY**

The Company is planning for taking an initiative for implementation of "Green Initiative" in the corporate governance for allowing paperless compliance 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.

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Annual General Meeting of the Members of Sulabh Engineers and Services Limited will be held on Friday, the 27th day of September 2013 at 11:00 A.M. at B-32 APMC Market-1 Phase-II, Sector-19, Vashi, Navi Mumbai-400705, to transact the following business.

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 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 appoint a Director in place of Shri Rakesh Chand Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s Satish Soni & Co. Chartered Accountants 15/ 2nd floor, Meteor House, Colaba, Mumbai-400001, Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of 31st Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr. Niranjana Swaroop Goel, who was appointed as an Additional Director by the Board under the provisions of Section 260 of the Companies Act, 1956 and hold the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".
5. To consider and if thought fit, to pass, with or without modification/s, the following resolution as an Ordinary Resolution:  
"RESOLVED that Mr. Guljhari Lal Sharma, who was appointed as an Additional Director by the Board under the provisions of Section 260 of the Companies Act, 1956 and hold the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

Date: 27 August 2013

Place: Kanpur

By the order of Board  
For Sulabh Engineers and Services Limited

Sd/-  
(Diwaker Dubey)  
Company Secretary

**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote in his stead and such a proxy need not be a member of the Company. Proxies in order to be effective must be received by the company not less than 48 hours before the time for holding the meeting.
2. Shareholders seeking any further information on Accounts and Operations of the Company at Annual General Meeting are requested to send their queries to the Company at registered office at least seven days before the date of meeting.
3. The register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 23rd September 2013 to Friday, the 27th September 2013 (Both days inclusive) for the purpose of Annual General Meeting.
4. In view of the directions issued by the Ministry vide General Circular No: 2 /2011, dated 08.02.2011 in regard to exemption under Section 212(8) of the Companies Act, for not attaching the balance sheet of the subsidiary concerned, Board of Directors of your Company have given their consent for not attaching the balance sheet of the subsidiary companies.
5. The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the registered office of the holding company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.
6. Corporate Members are requested to send to the Company, a duly certified copy of the Board resolution/Power of Attorney, authorising their representatives to attend and vote at the Annual General Meeting.

In terms of the Articles of Association of the Company, the relevant details in respect of directors retiring by rotation pursuant to Clause 49 of the Listing Agreement are furnished hereunder:

**1. Mr. Rakesh Chand Agarwal**

He is renowned businessman and acts as an Independent Director of the Company Shri Rakesh Chand Agarwal does not hold shares in the Company in his name and none of the share in the Company is held by him for any other person on a beneficial basis.

**ANNEXURE TO THE NOTICE:****EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956:****Item No. 4:**

Mr. Niranjana Swaroop Goel, was appointed as an Additional Director on the Board of the Company with effect from 28 September, 2012 under the provisions of Section 260 of the Companies Act, 1956 to hold the office upto the date of this Annual General Meeting.

Mr. Niranjana Swaroop Goel is an economist and has a rich experience of more than 35 years in the field of finance, banking and administration.

**His brief Bio Data is as under:****NIRANJAN SWAROOP GOEL (BIO-DATA)**

- NAME : Niranjana Swaroop Goel
- FATHER'S NAME : Late Shri Bishan Lal Goel
- D.O.B. : 30 Dec 1945
- ADDRESS : 128/136, H-Block Kidwai Nagar Kanpur-208014  
Ph. No. - 9415126656  
Email- usha5p@Reddifymail.com
- QUALIFICATION : B.Com.
- EXPERIENCE : Mr. Niranjana Swaroop Goel has served in Bank of Baroda for 35 years and has wide exposure and experience in financial sector.
- OTHER DIRECTORSHIP: -NIL-
- SHAREHOLDING IN THE COMPANY: -NIL-

The Board considers that his presence on the Board will be of immense value to the Company and accordingly recommends the resolution for approval of the Members.

None of the Directors except Mr. Niranjan Swaroop Goel himself, may be considered as interested in the said resolution.

**Item No. 5:**

Mr. Guljhari Lal Sharma, was appointed as an Additional Director on the Board of the Company with effect from 22 August, 2012 under the provisions of Section 260 of the Companies Act, 1956 to hold the office upto the date of this Annual General Meeting.

Mr. Guljhari Lal Sharma is a Financial Market Expert and has a rich experience of more than 40 years in the field of finance and administration.

**His brief Bio Data is as under:**

**GULJHARI LAL SHARMA (BIO-DATA)**

- NAME : Guljhari Lal Sharma
- FATHER'S NAME : Late Shri Satya Narain Sharma
- D.O.B. : 19/02/1944
- ADDRESS : 4/276, Parvati Bagla Road, Kanpur-208001  
Ph. No.- 9414080192  
Email- vimalbabu@Hotmail.com
- QUALIFICATION : M.Com., M. A., L.L.B.
- EXPERIENCÉ : Mr. Guljhari Lal Sharma has a rich experience in the field of financial market and had been instrumental in the establishment of UP Stock Exchange.
- OTHER DIRECTORSHIP: Prabhat Securities Limited  
Prabhat Financial Services Limited
- SHAREHOLDING IN THE COMPANY: -NIL-

The Board considers that his presence on the Board will be of immense value to the Company and accordingly recommends the resolution for approval of the Members.

None of the Directors except Mr. Guljhari Lal Sharma himself, may be considered as interested in the said resolution.

**DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors take pleasures in presenting the 30th Annual Report together with Audited statement on the business and operations of the company for the year ended on 31st March, 2013.

**FINANCIAL RESULTS:**

	<b>2012-2013</b>	<b>2011-2012</b>
	<b>(Rs. in ₹ 000)</b>	<b>(Rs. in ₹ 000)</b>
Income	11008.76	3782.90
Profit/(Loss) before interest & dep.	6619.15	2013.47
Less:		
Interest	0.00	0.00
Depreciation	363.32	0.28
Profit / (Loss) Before Tax	6255.83	2013.19
Provision for Taxation	2000.00	533.20
Deferred Tax	(33.69)	0.00
Profit after Tax	4289.52	1479.99

**OPERATIONAL RESULTS:**

During the year under review, the company has received an income of Rs. 11008.76 thousand as compared to the previous year income of Rs. 3782.90 and earned a profit after tax of Rs. 4289.52 thousand as compared to the previous year profit of Rs. 1479.99 thousand. Though the performance of company is better than the last year still your directors are trying to improve the performance of the company and are hopeful for the better result of the company in the next financial year.

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

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

**DIVIDEND:**

In view to conserve the financial resources of the company for meeting financial requirements for future business projects it was decided by your director not to declare any dividend this year.

**FIXED DEPOSIT:**

Company has not accepted any deposit prescribed U/s 58A of the companies Act 1956 during the financial year 2012-13.

**AUDITORS:**

Satish Sori & Co., Chartered Accountants, from whom company has received a certificate that his appointment as Auditors, is within the limit as laid down 224(1B) of the companies Act, 1956, shall hold office from the conclusion of this Annual General Meeting to the conclusion of 31st Annual General Meeting.

**CHANGE IN MANAGEMENT & TAKEOVER:**

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

**RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:**

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

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

**INDUSTRIAL RELATIONS:**

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

**DIRECTOR:**

The Board of the company is duly constituted.

Shri Niranjana Swaroop Goel who was appointed as Additional Director is eligible to be appointed as regular Director and offers himself to be appointed at the AGM.

None of the Directors is Disqualified u/s 274(1) (g) of the companies Act, 1956.

**AUDITORS REPORT:**

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

**CORPORATE GOVERNANCES:**

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

**LISTING OF SHARES:**

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

**RISK AND INTERNAL ADEQUACY:**

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

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

Your Company is not engaged in any manufacturing activity which is power intensive, it basically engaged in trading activities and use power saving devices by implementing the advanced and latest technology in carrying out its operational activities. There is a system of proper check and control in order to avoid unnecessary wastage of power and energy.

Foreign Exchange earnings and outgo is NIL.





## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
Sulabh Engineers and Services Limited

We have examined the companies of conditions of Corporate Government by Sulabh Engineers and Services Ltd, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us and representations made by the management, we certify that the Company has complied with the condition of Corporate Governance as Stipulated in Clause 49.

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

**For SATISH SONI & CO.**

Chartered Accountants

Sd/-

**(CA.Satish Soni)**

Proprietor

M.No.-044391

FRN-114625W

Place: Mumbai

Date: 28 May 2013

**CEO CERTIFICATION**

1. Manoj Kumar Agarwal, Chairman & Whole Time Director of Sulabh Engineers & Services Limited, hereby certify to the Board that:
  - (a) We have reviewed financial statements and the cash flow statement for the year ending 31st March, 2013 and that to the best of our knowledge and belief:
    - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
    - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
  - (b) There are, to the best of our knowledge and belief, no transactions entered into by Sulabh Engineers & Services Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
  - (c) We are responsible for establishing and maintaining internal controls for financial reporting in Sulabh Engineers & Services Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
  - (d) We have indicated to the Auditors and the Audit Committee.
    - (i) Significant changes in internal control over financial reporting during the year;
    - (ii) Significant changes in Accounting Policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (e) We certify that there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or any employee having significant role in the Company's internal control systems.
  - (f) We affirm that we have not denied any personnel, access to the Audit Committee of the company (in respect of matters involving alleged misconduct)

Sd/-

**(Manoj Kumar Agarwal)**

Chairman &amp; Whole Time Director

Place: Kanpur

Date: 28 May 2013

**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**SULABH ENGINEERS & SERVICES LIMITED**  
Report on the Financial Statements

We have audited the accompanying financial statements of **SULABH ENGINEERS & SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility**

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

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

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

**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

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

(Satish Soni)  
Proprietor  
Membership No. 44391  
Place: Mumbai  
Date: May 28, 2013

**ANNEXURE TO AUDITORS' REPORT****Referred to in paragraph [1] of the Auditors' Report of even date**

1. In respect of its fixed assets :
  - a. The Company has maintained proper records showing full particulars including quantitative details & situation of Fixed Assets.
  - b. All the fixed assets have been physically verified by the management during the year & there is a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its business. No material discrepancies were noticed on such verification.
  - c. During the year, the Company has not disposed off any substantial fixed assets.
2. The Company is a Non-banking Financial Company (NBFC) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities and does not hold any physical inventories during the year. Therefore, provision of clause 4(ii) of CARO is not applicable to the Company.
3. The Company has not granted /taken any loans, secured or unsecured, to /from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 except interest free unsecured loan granted to its subsidiary. The Maximum Balance outstanding and the year end balance was Rs. 8,60,00,000/-.
4. In our opinion and according to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to the purchase of fixed assets and equipments & for sale of services. During the course of our audit, we have not observed any major weakness in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956.
  - a. Based on audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b. In our opinion and according to the information and explanations given to us, the transactions of purchase & sale of goods and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 as aggregating during the year to Rs. 5,00,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. The Company does not have a formal system of internal audit but there are adequate checks and controls at all levels.
8. The Central Government has not prescribed for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the Company.
9. In respect of the statutory dues:
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
  - b. There were no undisputed amount payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues which have remained outstanding as at 31st March, 2013 for a period more than six months from the date they became payable.
10. The Company has neither accumulated losses nor it has not incurred cash losses during the financial year covered by our audit though the company had incurred cash loss in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. In our opinion and according to the information & explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund, a nidhi, mutual benefit fund or a society.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance-sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. The Company has not raised any long-term funds during the year.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the Company.
19. The Company has not issued any debentures. Accordingly clause 4(xix) of the Order is not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

(Satish Soni)  
Proprietor  
Membership No. 44391  
Place: Mumbai  
Date: May 28, 2013

**SULABH ENGINEERS & SERVICES LIMITED****Balance Sheet as at 31 March, 2013**

Particular	Note No.	31 March, 2013	31 March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2	100,475,000	100,475,000
(b) Reserves and surplus	3	108,308,798	104,019,271
		<b>208,783,798</b>	<b>204,494,271</b>
<b>Non-Current liabilities</b>			
(b) Long Term Provisions	4	495,911	Nil
		<b>495,911</b>	<b>Nil</b>
<b>Current liabilities</b>			
(a) Other current liabilities	5	183,187	746,034
(b) Short Term Provisions	6	2,443,393	533,201
		<b>2,626,580</b>	<b>1,279,235</b>
<b>TOTAL</b>		<b>211,906,289</b>	<b>205,773,506</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	7	1,860,467	Nil
(b) Non-current Investments	8	25,500,000	1,450,000
(c) Long-term loans and advances	9	175,556,718	151,665,119
(d) Deferred Tax Assets (Net)		19,33,696	Nil
		<b>202,950,881</b>	<b>153,115,119</b>
<b>Current assets</b>			
(a) Cash and cash equivalents	10	5,300,784	51,262,860
(b) Short-term loans and advances	11	2,355,928	665,007
(c) Other current assets	12	1,298,696	730,520
		<b>8,955,408</b>	<b>52,658,387</b>
<b>TOTAL</b>		<b>211,906,289</b>	<b>205,773,506</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 Satish Soni & Co.**

Chartered Accountants

For and on behalf of the Board

Sd/- (Manoj Kumar Agarwal) Director  
Sd/- (Rakesh Chand Agarwal) Director

**Satish Soni**  
Proprietor  
M.No 44391  
FRN : 109333w  
Place : Mumbai  
Date : 28/05/2013

Place : Mumbai  
Date : 28/05/2013







**Significant Accounting Policies and Notes on Accounts****Note - 1****Particulars****A Corporate Information**

The Company is Non-banking Financial Company (NBFC) registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI, enabling the Company to carry on business as a Non-banking Financial Company.

**B Significant accounting policies****a) Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

The company follows the prudential norms for income recognition, asset classification and provisioning as prescribed by Reserve Bank of India (RBI) for non-deposit taking Non-banking Finance Companies (NBFC-ND)

**b) Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**c) Revenue recognition**

Interest Income:

Interest income is recognized and accounted on accrual basis as per the agreed terms except in case of Non Performing Assets outstanding for more than 90 days, which is recognized on receipt basis, as per NBFC Prudential Norms.

Other income

Dividend income is accounted for when the right to receive it is established. Profit/Loss on sale of Investments is accounted on trade dates. Other income are accounted on accrual basis.

**d) Tangible fixed assets and Depreciation**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price and any other attributable costs of bringing the assets to their working condition for the intended use.

Depreciation has been provided on the written-down method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.

**e) Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

**f) Valuation of Inventories**

Lower of cost and net realisable value.

**g) Segment reporting**

The Company considers business segments as its primary segment. The Company's operations are predominantly relate to lending & related activities and accordingly, this is the only primary reportable segment.

The Company considers geographical segments as its secondary segment. The Company's operations are predominantly within India and accordingly, this is the only secondary reportable segment.

**h) Earnings per share**

Basic earnings per share are computed by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit / (loss) for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

**i) Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**j) Foreign currency transactions and translations****Initial recognition**

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

**Measurement of foreign currency monetary items at the Balance Sheet date**

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates.

In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

**Treatment of exchange differences**

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to nonintegral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

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

**k) Employee benefits**

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made. Gratuity is a defined benefit obligation and is provided for on the basis of an actuarial valuation.

**l) Government grants and subsidies**

Grants and subsidies are recognised when there is a reasonable assurance that the grant or subsidy will be received and that all underlying conditions thereto will be complied with. When the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying cost of the related assets.

**m) Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

**Note - 2 Share Capital**

Particulars	As at	
	31 March, 2013	31 March, 2012
<b>(a) Authorised</b>		
11,00,00,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -1,10,00,000 Equity shares of Rs. 10/- each with voting rights)	110,000,000	110,000,000
<b>(b) Issued, Subscribed and fully paid up</b>		
10,04,75,000 Equity shares of Rs. 1/- each with voting rights (Previous Year -1,00,47,500 Equity shares of Rs. 10/- each with voting rights) 100,475,000		100,475,000
<b>Total</b>	<b>100,475,000</b>	<b>100,475,000</b>

The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/-. Each holder of equity shares is The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares	Amount-Rs	No. of Shares	Amount-Rs
Number of shares at the beginning	10,047,500	100,475,000	3,047,500	30,475,000
Shares Split to Rs. 1/- per Share	90,427,500	Nil	Nil	Nil
Add: Shares issued during the year	Nil	Nil	7,000,000	70,000,000
<b>Number of shares at the end</b>	<b>100,475,000</b>	<b>100,475,000</b>	<b>10,047,500</b>	<b>100,475,000</b>

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

Name of Shareholders	As at 31 March, 2013		As at 31 March, 2012	
	No. of Shares	% held	No. of Shares	% held
Ruchi Agarwal	6,000,000	5.97%	600,000	5.97%
Sandhya Agarwal	5,400,000	5.37%	600,000	5.97%

**Note 3 Reserves and surplus**

Particulars	As at	
	31 March, 2013	31 March, 2012
<b>a. Securities Premium Account</b>		
Opening balance	98,000,000	28,000,000
Add: Profit / (Loss) for the year	Nil	70,000,000
Closing Balance	98,000,000	98,000,000
<b>b. Special Reserve under Section 451C of RBI Act</b>		
Opening balance	Nil	Nil
Add: Transfer during the year	857,905	Nil
Closing Balance	857,905	Nil

<b>c. General Reserve</b>		
Opening balance	2,400,000	2,400,000
Add: Any other Adjustments	Nil	Nil
Closing Balance	2,400,000	2,400,000
<b>d. Surplus</b>		
Opening balance	3,619,271	2,139,278
Add : Net Profit for the Year	4,289,527	1,479,993
Less : Transfer to Reserve u/s 45IC of RBI Act	857,905	Nil
Closing Balance	7,050,893	3,619,271
<b>Total</b>	<b>108,308,798</b>	<b>104,019,271</b>

**Note 4 Long-Term Borrowings**

Vehicle Loan	495,911	Nil
	<b>495,911</b>	<b>Nil</b>

**Note 5 Other current liabilities**

Other payables		
(i) Statutory remittances		
TDS payables	Nil	4,035
(ii) Other Payables		
	183,187	741,999
	<b>183,187</b>	<b>746,034</b>

**Note 6 Short Term Provisions**

Provision for Tax	2,009,001	533,201
Provision for Standard Assets	434,392	Nil
	<b>2,443,393</b>	<b>533,201</b>

**Notes forming part of Financial Statements****Note 7 Fixed assets**

(Amount-Rs)

Assets	Gross block			Accumulated depreciation and impairment			Net Block	
	Balance as at 1 April, 2012	Additions	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expense for the year	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
Tangible Assets-Owned								
Vehicles	Nil	2,200,789	2,200,789	Nil	358,155	358,155	1,842,634	Nil
Computers	Nil	23,000	23,000	Nil	5,167	5,167	17,833	Nil
<b>TOTAL</b>	-	<b>2,223,789</b>	<b>2,223,789</b>	-	<b>363,322</b>	<b>363,322</b>	<b>1,860,467</b>	-
PREVIOUS YEAR	5,190	-	5,190	4,906	284	5,190	Nil	

Particulars	As at 31 March, 2013	As at 31 March, 2012
<b>Note 8 Non-current Investments</b>		
<b>Long term Investments - Non Trade</b>		
<b>In Fully paid up equity shares -Unquoted</b>		
<b>- In Associates</b>		
Sulabh Agro Private Limited (Nil Eq. Shares, Previous Year - 2,500 Eq. Shares)	Nil	25,000
Sulabh Engg Cons. Private Limited (Nil Eq. Shares, Previous Year - 2,500 Eq. Shares)	Nil	25,000
<b>- In Subsidiaries</b>		
Rodic Coffee Estates Private Limited (25,50,000 Eq. Shares, Previous Year - Nil Eq. Shares)	25,500,000	Nil
<b>- In Others</b>		
Sanjeevani Fertilisers & Chemicals Private Limited (Nil Eq. Shares, Previous Year - 1,40,000 Eq. Shares)	Nil	1,400,000
	<b>25,500,000</b>	<b>1,450,000</b>
<b>Note 9 Long-term loans and advances</b>		
<b>Unsecured - Considered Good</b>		
Related Parties	86,000,000	Nil
Others	87,756,718	126,625,119
Advance for capital goods	1,800,000	25,040,000
	<b>175,556,718</b>	<b>151,665,119</b>
<b>Note 10 Cash and cash equivalents</b>		
Cash on hand	670,645	873,497
Balance with Scheduled Bank		
In Current Accounts	2,756,718	192,984
In Fixed Deposits	Nil	50,147,957
Other Bank Balances		
Unpaid Dividend Account	48,421	48,422
Cheques in hand	1,825,000	Nil
	<b>5,300,784</b>	<b>51,262,860</b>
<b>Note 11 Short-term loans and advances</b>		
<b>Balances with Government Authorities</b>		
Advance tax & TDS	2,355,928	665,007
	<b>2,355,928</b>	<b>665,007</b>
<b>Note 12 Other current assets</b>		
Unamortised Share Issue Expenses & Preliminary Expenses 730,520		584,416
Interest Accrued on Loans	714,280	Nil
	<b>1,298,696</b>	<b>730,520</b>

**Note 13 Revenue from operations**

Interest Income	10,608,764	3,782,904
Profit on sale of Investments	400,000	Nil
<b>Total Revenue from operations</b>	<b>11,008,764</b>	<b>3,782,904</b>

**Note 14 Employee benefits expense**

Salaries and wages	1,084,000	513,000
Directors' Remuneration	675,000	360,000
Staff Welfare	60,143	Nil
<b>Total</b>	<b>1,819,143</b>	<b>873,000</b>

**Note 15 Finance Cost**

Interest	526,593	405
Other Finance Cost	8,363	2,605
<b>Total</b>	<b>534,956</b>	<b>3,010</b>

**Note 16 Other expenses**

Advertisement	59,382	57,578
Communication Expenses	27,439	16,568
Legal and professional Charges	640,822	255,813
Miscellaneous expenses	63,496	143,358
Statutory Audit Fees	50,000	25,000
Tax Audit Fees	15,000	Nil
Certification Charges	Nil	51,000
Service Tax	8,034	Nil
Postage & Telegram	27,697	Nil
Printing and stationery	33,808	4,200
Provision for Sub-standard Assets	434,392	Nil
Rent	120,000	119,000
Repairs and maintenance - Others	16,000	Nil
Share issue & Preliminary Expenses W/off	146,104	183,333
Travelling and conveyance	393,338	37,566
<b>Total</b>	<b>2,035,512</b>	<b>893,416</b>

**Note 17 Contingent liabilities**

	Nil	Nil
--	-----	-----

**Note 18 Dues to Micro, Small and Medium Enterprises**

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.









**7 Other Information**

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related Parties	Nil
(b) Other Than related parties	Nil
(ii) Net Non-Performing Assets	
(a) Related Parties	Nil
(b) Other Than related parties	Nil
(iii) Assets acquired in satisfaction of debt	Nil

**Notes :**

- As defined in paragraph 2(1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007
- All Accounting Standards and guidance Notes issued by ICAI are applicable including for valuation of investment and other assets as also assets required in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

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

For and on behalf of the Board

**Satish Soni**  
**Proprietor**  
**M.No 44391**  
**FRN : 109333w**  
Place : Mumbai  
Date : 28/05/2013

**Director**                      **Director**

Place : Mumbai  
Date : 28/05/2013

### Deferred Tax Computation

	Rs.
<b>DEFERRED TAX ASSET</b>	
Carry forward of Business losses	
Carry forward of Un-absorbed Depreciation losses	
Mat Credit Available for carry forward	
Tax at the rate of 30% on above	
Surcharges at 10%	
Education Cess at 3%	
(A)	
<b>DEFERRED TAX LIABILITY :</b>	
Dep. As per IT Act	254275
Less : Dep. As per Co. Act	363322
	-109047
Tax at the rate of 30% on above	-32714
Surcharge at 5%	0
	-32714
Education cess at 3%	
-981	
(B)	-33696
DEFERRED TAX ASSET NET BASIS :	(A - B) 33696

**Note:**

- i) Calculation is done on the analogy that there is no MAT tax, if there is MAT the DTA increases to the extent of , MAT credit available.
- ii) Profit on Sale of Fixed Assets has no relevance for calculation of DTA/DTL as it is not a timing difference. Hence the same is to be ignored
- iii) Information is unavialable for the difference in Written Down Values as per Income-Tax act and Co. Act. Which increases/decreases the DTA/DTL
- iv) if book profits doesn't exceed Rs. one crore, forget surcharge

**Statement pursuant to General Exemption under section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies :**

S.No	Name of the Subsidiary Financial Year Ends on 31/03/2013	Rodic Coffee Estate Pvt.Ltd
		(Rs. in Lacs)
		500.00
1	Share Capital	18.01
2	Reserves	2123.96
3	Totals Assets	2123.96
4	Total Liabilities	Nil
5	Details Of Investments	1.39
6	Turnover	27.88
7	Profit Before Taxation	9.87
8	Profit For Taxation	18.01
9	Profit After Taxation	Nil
10	Proposed Dividend	

**Notes:**

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

**SULABH ENGINEERS AND SERVICES LIMITED**

R.O. - APMC Market-1 Phase-II, Sector-19, Vashi, Navi Mumbai-400705

**ATTENDANCE SLIP**

(To be presented at the entrance)

No. of Shares held <input style="width: 90%;" type="text"/>	Folio No. <input style="width: 90%;" type="text"/>
I certify that I am a member/proxy of the Company.	
Address : _____ _____	

I hereby record my presence at the Annual General Meeting of the Company to be held at its Registered Office, B-32 APMC Market-1 Phase-II, Sector-19, Vashi, Navi Mumbai-400705, on Friday, the 27th day of September 2013 at 11:00 AM.

Member's/Proxy name in BLOCK letters \_\_\_\_\_

Signature of Member/Proxy \_\_\_\_\_

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

**PROXY FORM**

I/We ..... of .....  
 In the district of ..... being a member/ members of the above  
 named company, hereby appoint .....  
 of ..... in the district of .....  
 or failing him ..... of .....  
 In the district of ..... as my/our proxy to attend and vote on my/ our Proxy to attend and vote  
 for me/us on my/our behalf at the Annual General Meeting of the company to be held on Friday, the 27th day of September  
 2013, at 11:00 AM. and at any adjournment(s) thereof.

Signed this ..... day of ..... 2013

Affix Rs. 1.00 Revenue Stamp
---------------------------------------


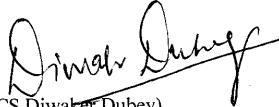
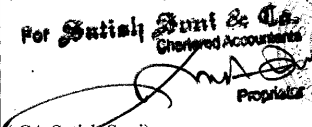
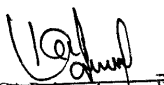
(Signature)

**Note:**

This Proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

**FORM A**

**Covering letter of the Annual Audit Report to be filed with the Stock Exchanges**

1.	Name of the Company	Sulabh Engineers and Services Limited
2.	Annual Financial Statements for the year ended	31st March, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none"><li>• CEO/ Managing Director</li></ul>	 (Manoj Kumar Agarwal)
	<ul style="list-style-type: none"><li>• CFO</li></ul>	 (CS Diwaker Dubey)
	<ul style="list-style-type: none"><li>• Auditor of the Company</li></ul>	 For <b>Satish Soni &amp; Co.</b> Chartered Accountants Proprietor (CA Satish Soni)
	<ul style="list-style-type: none"><li>• Audit Committee Chairman</li></ul>	 (CA Rajeev Agarwal)

