



SULABH
Engineers And Services Limited
CIN : L28920MH1983PLC029879

Web : www.sulabh.org.in
E mail : sulabheng22@gmail.com
sulabhinvestorcell@gmail.com

Date: 28.08.2023

To
The General Manager
Department of Corporate Services,
Bombay Stock Exchange Limited,
1st Floor, P.J. Towers,
Dalal Street,
Mumbai-400001

**Sub: 40TH ANNUAL REPORT pursuant to Reg. 34 of the SEBI (LODR)
Regulations, 2015
(Scrip Code: 508969)**

Sir,

Pursuant to terms of Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the 40th Annual Report of the Company for the financial year ended 31st March, 2023.

The aforesaid Report is also being uploaded on the Company's corporate website www.sulabh.org.in.

Thanking You,

For Sulabh Engineers and Services Limited

REKHA

Digitally signed by

REKHA KEJRIWAL

KEJRIWAL

Date: 2023.08.28

13:15:00 +05'30'

(REKHA KEJRIWAL)

Company Secretary & Compliance Officer

Add: Regd. off. : 206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd., R.K. Singh Marg,
Parsi Panchayat Road, Andheri (East), Mumbai-400069
Tel. : +91 22-67707822 **Fax** -+912267707822

40TH ANNUAL REPORT

2022 - 2023

SULABH

ENGINEERS AND SERVICES LIMITED



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REGISTERED OFFICE

206, 2nd Floor, Apollo Complex Premises Cooperative Society Ltd.,
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(East), Mumbai-400069

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CORPORATE OFFICE

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

CORPORATE IDENTIFICATION NUMBER (CIN)

L28920MH1983PLC029879

LISTING

Bombay Stock Exchange
SULABEN | 508969 | INE673M01029

BANKER

Union Bank of India, Main Branch, Kanpur
Kotak Bank, Govind Nagar Branch, Kanpur

REGISTRAR AND SHARE TRANSFER AGENT

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

Phone: 011-26812682/64732681-88

Email: admin@skylinerta.com

WEBSITE

www.sulabh.org.in

COMPANY SECRETARY

Mrs.Rekha Kejriwal

AUDITORS

Satish Soni & Co.

Chartered Accountants

15/1, 2nd Floor, Metro House

S. B. S. Road, Colaba,

Mumbai - 400001

Telephone : 2287 6467, Mobile : 9322693989

SECRETARIAL AUDITOR

Mr.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 22 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 13th 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 40th Annual Report together with Audited statement on the business and operations of the company for the year ended on 31st March, 2023.

FINANCIAL RESULTS (STANDALONE): (in Lakhs)

Particulars	2022-23 (INR.)	2021-22 (INR.)
Revenue From Operations	142.72	118.66
Impairment of Financial Instrument	5.95	0.00
Other Income	0.03	39.50
Total Income	148.69	158.16
Profit/(Loss) Before Interest & Dep.	118.47	86.38
Less: Interest	0.00	0.00
Less: Depreciation	5.90	7.17
Profit / (Loss) Before Tax	112.57	79.21
Less: Current Tax	30.00	15.00
Less: Deferred Tax	2.95	-3.5
Net Profit After Tax	79.62	67.71

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 20.28% to Rs. 142.72 Lakh (as compare to Previous Year Rs. 118.66 Lakh)
- Profit Before Interest & Dep. increased to 37.15% Rs.118.47 Lakh (as per Previous year Rs. 86.38 Lakh)
- Profit after tax of the Company is also increased to 17.59% in the current financial year which amounts to Rs. 79.62 Lakh as compared to previous year Rs. 67.71 Lakh.

FINANCIAL RESULTS (CONSOLIDATED): (in Lakhs)

Particulars	2022-23 (INR.)	2021-22 (INR.)
Revenue From Operations	363.06	374.40
Other Income	0.64	(0.11)
Total Income	363.70	374.29
Profit/(Loss) Before Interest & Dep.	194.45	138.45
Less: Interest	0.00	0.00
Less: Depreciation	15.71	15.13

Profit / (Loss) Before Tax	178.74	123.32
Less: Current Tax	30.00	17.62
Less: Deferred Tax	1.23	5.33
Net Profit After Tax	147.51	111.02

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 slightly decreased in current year to 3.03% to Rs.363.06 Lakh (as compare to Previous year Rs. 374.70 Lakh)
- Profit Before Interest & Dep. increased to 40.45% Rs. 194.45 Lakh (as per Previous year Rs. 138.45 Lakh).
- However Profit after tax of the Company increased to 32.87% in the current financial year which amounts to Rs. 147.51 Lakh (as compared to previous year Rs. 111.02 Lakh).

SHARE CAPITAL

The paid up equity capital as on March 31, 2023 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, 2023, 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.

DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposits) Rules, 2014.

TRANSFER TO RESERVES

The Company transferred an amount of Rs. 15.92 Lakh/- to the Special Reserves under section 45-IC 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 as “Annexure- F”.

SUBSIDIARY COMPANIES

As on March 31, 2023 the Company has one subsidiary, M/s 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, 2023 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.

LENDING OPERATIONS

The Company is a Non-Banking Financial Company ("**NBFC**") and is engaged in providing loans for Business or Capacity expansion, Working Capital loans, loans for Purchase of Equipment and Machinery, Term Loans against Property, personal loans, loans for Purchase of Commercial Property and other finance services.

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, 2023, the applicable accounting standards have been followed and there are no material departures from the same;
- b) the Directors had 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, 2023 and of the profit of the Company for the year ended on that date;
- c) the Directors had 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 had prepared the annual accounts on a going concern basis;
- e) The Directors had 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 had 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.

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.

DEPOSITS FROM PUBLIC

The Company being a non-deposit taking NBFC, has not accepted any deposits from the public during the year under review.

CHANGE IN NATURE OF BUSINESS

The Company continues to operate in the same business and there is no change in the nature of business during the period under review.

STATUTORY COMPLIANCE

The Company has complied with Ind AS as prescribed under section 133 of the Companies Act, 2013. The Company has also complied with the directions issued by RBI from time to time.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a suitable and adequate Internal Control System which indeed is commensurate with the size, scale and complexity of its operations. Internal control systems are integral to Company's corporate governance framework. 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.

Mr. Deepak Agarwal (DIN: 02247228), Independent Director whose tenure of Five years is due for expire on 26th September,2023, Board & NRC has recommended to the members, the proposal for

reappointment of Mr. Deepak Agarwal as an Independent Director for a second term of five consecutive years with effect from September 26, 2023.

DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received declaration from all the Independent Directors that they meet with the criteria of independence as prescribed under Subsection (6) of Section 149 of the Companies Act, 2013 read with Rule 6 (1) and (3) of Companies (Appointment and Qualifications of Directors) Rules, 2014 as amended from time to time & Regulation 16 & 25 of the SEBI (Listing Obligation and Discloser Requirements)2015.

During the year, all of Independent Directors convened a separate meeting without the presence of Non-Independent Directors and members of the management as per provisions of Clause VII of Schedule IV to the Companies Act, 2013. In that meeting of Independent Directors, performance of non-independent directors, Chairman and the Board as a whole were reviewed and evaluated.

FORMAL EVALUATION OF THE PERFORMANCE OF THE BOARD, COMMITTEES OF THE BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of 134(3)(p) the Companies Act, 2013 and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of its Committees. The evaluation was carried on the basis of structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, level of engagement and participation, Board culture, execution and performance of specific duties, obligations and governance. The Board has expressed their satisfaction with the evaluation process.

In pursuant to Regulation 17(10) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the evaluation of Independent Directors were done by the entire board of directors which includes –

- (a) Performance of the directors; and
- (b) Fulfillment of the independence criteria as specified in the regulations and their independence from the management.

COMPANY'S POLICY RELATING TO DIRECTOR'S APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as

provided under Section 178(3) of the Companies Act, 2013 is furnished as attached to this report. "Annexure A". The weblink for the same is <https://www.sulabh.org.in/upload/PDF/00000292>.

FAMILIARIZATION PROGRAM

The Company has adopted the Familiarization Programme to familiarize Independent Directors of the Company. 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

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

At the 39th Annual General Meeting held on 29th September, 2022 the members had appointed M/s Satish Soni & Co., Chartered Accountants, FRN: 109333W as statutory auditors of the company for a period of five years commencing from the conclusion of this 39th Annual General Meeting to the conclusion of 43rd Annual General Meeting as per the provisions of section 139 and 141 of the Companies Act, 2013 and rules made there .

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 2022-2023 as required under section 204 of the Companies Act, 2013 and the rules there under. The Secretarial Audit report for the financial year 2022-23 forms part of the Annual Report as "Annexure B" 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 2022-2023 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 C" 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

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

REGISTRATION OF INDEPENDENT DIRECTORS WITH INDEPENDENT DIRECTOR'S DATABANK

The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 required all existing and those aspiring to become independent directors to apply online to Indian Institute of Corporate Affairs (IICA) for inclusion of their names with the Independent Directors Databank.

All our Independent Directors have registered themselves with the Independent Director's Databank.

COMPLIANCE CERTIFICATE FROM AUDITORS ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

A compliance certificate from the Statutory auditors regarding compliance of conditions of corporate governance is annexed as Annexure- I as a part of this report as per Regulation 34 read with Para E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

Matters as prescribed under Sub-Sections (1) and (3) of section 178 of the Companies Act, 2013

The Nomination & Remuneration Committee consists of three Independent Directors. The Committee had one meeting during the year. The details of which are provided in Report on Corporate Governance. 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 as per the policy as available with the website of the Company.

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.

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.

INVESTOR RELATIONS

At Sulabh engineers and Services Limited, we consider Investor Relations to be the key to building transparent, open and long-term relationships with our stakeholders. Our Investor Relations program is committed to maintaining effective communication with the investing community by adopting best practices.

Your Company always endeavors to keep the time of response to shareholders request / grievance at the minimum. Priority is accorded to address all the issues raised by the shareholders and provide them a satisfactory reply at the earliest possible time. The Shareholders' Grievance Committee of the Board meets periodically and reviews the status of the Shareholders' Grievances. The shareholders of the Company continue to be traded in electronic forum and de-materialization exists with both the depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited.

MEETING OF BOARD

The Board of Directors held Four 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 CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUBSECTION (1) OF SECTION 188

All Contracts / Arrangements / Transactions executed by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. The Audit Committee reviews all Related Party Transaction on quarterly basis. Company have been clearly identified in Note No. 4.3 (in both Standalone and Consolidated) in the balance sheet section annexed to this report and Particulars of such related party transactions described in Form AOC-2 as required under Section 134 (3)(h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, which is annexed herewith as "Annexure G".

The related party disclosures as specified under Para A of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 is forming part in Notes to Financial Statements.

The board has approved a policy for related party transactions which has been hosted on the website of the Company. The web-link for the same <https://www.sulabh.org.in/upload/PDF/00000061.pdf>. The related party transactions, wherever necessary are carried out by company as per this policy. There were no materially significant related party transactions entered into by the company during the year, which may have potential conflict with the interest of the company at large. There were no pecuniary relationship or transactions entered into by any Independent Directors with the company during the year under review.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The loan made, guarantee given or security provided in the ordinary course of business by a NBFC registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act. As the Company being a NBFC registered with RBI the restrictions contained in the said provisions are not applicable to the Company. During the year under review the Company has invested surplus funds in various securities in the ordinary course of business. For details of the investments of the Company refer to Note No. 2.3 of 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**.

ANNUAL RETURN AS PER SECTION 92 (3) OF COMPANIES ACT 2013

In pursuance to the provisions of Section 92(3) of the Companies Act, 2013 read with Rules made thereunder and amended time to time, the Annual Return of the Company is available on the website of the company i.e. www.sulabh.org.in and the web link of the same is <https://sulabh.org.in/Disclosures?titl=ANNUAL%20RETURN>

REPORTING FRAUD

During the year under review, no frauds have been reported by the Auditor (Statutory Auditor, Secretarial Auditor) to the Audit Committee / Board, under Section 143(12) of the Companies Act, 2013.

PARTICULARS OF EMPLOYEES

Details of employee remuneration as required under the provisions of Section 197 of the Act and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate statement and forms part of the Annual Report as "Annexure D".

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 E".

RESERVE BANK OF INDIA DIRECTIONS

The Company from the date of receipt of NBFC license continues to comply with all the applicable regulations, guidelines, etc. prescribed by the RBI, from time to time. As a systemically important non-deposit taking NBFC, the Company always strives to operate in compliance with applicable RBI guidelines and regulations and employs its best efforts towards achieving the same.

PREVENTION OF INSIDER TRADING

The Company has updated the Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All the Board of Directors and the designated employees have confirmed compliance with the Code. The Updated Code of Conduct has already posted on Company's website.

OTHERS

The Directors state that no disclosure or reporting is required in respect of the following items, during the year under review:

1. No sweat equity shares and shares with differential rights as to dividend, voting or otherwise were issued;
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future except following:

A. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (SEBI PFUTP Regulations). The General Manager, Enforcement Department, SEBI had issued Show Cause Notice (SCN) dated 31-07-2017 to 150 Noticees under Section 11B of the SEBI Act in the matter of Company for alleged violation of SEBI PFUTP Regulations. The period of investigation was 01-12-2011 to 07-01-2015.

The Ld. Whole Time Member of SEBI vide Order dated 03-09-2020 and corrigendum dated 07-09-2020 to the Order dated 03-09-2020 exonerated 48 Noticees (one deceased) from the allegation made in the SCN. The Ld. WTM has further passed Order against 102 Noticees and found them guilty of violation of SEBI PFUTP Regulations. The Ld. WTM has debarred 102 Noticees from accessing the securities market for a period ranging from 1 year to 7 years.

These 102 Noticee includes the Company (debarred for 1 year), its Promoters and Directors namely Mrs. Deepa Mittal Mr. Manoj Kumar Agarwal (both debarred for 7 years) Mr. Santosh Kumar Agarwal (debarred for 5 years), Promoters of the Company namely Mrs. Sandhya Agarwal, Mrs. Ruchi Agarwal, Mrs. Krishna Agarwal and Mr. Manish Agarwal (all debarred for 5 years).

Further, 2 Noticees namely Mrs. Deepa Mittal and Mr. Manoj Kumar Agarwal has prohibited from being associated with any listed company or SEBI registered intermediary, in any capacity including as a director and key managerial person, directly or indirectly for a period of 7 years.

Thereafter, 67 Noticees out of 102 Noticees including Company, its Promoters and/or Directors filed Appeals before the Hon'ble Securities Appellate Tribunal and challenged the Order of the Ld. WTM dated 03-09-2020.

The Hon'ble Tribunal after hearing the Appeals of the Noticees vide Order dated 29-04-2022 set aside the Order of the Ld. WTM qua 32 Noticees and remanded back the matters to SEBI for passing fresh Order in accordance to the law, quashed order qua Mr. Santosh Agarwal completely and dismissed the Appeals of remaining 34 Noticees including the Company its Promoters and/or Directors.

Thereafter, 14 Noticee including the Company, its Promoters and/or Directors challenged the Order of the Hon'ble SAT before the Hon'ble Supreme Court of India by filing Civil Appeals. The Hon'ble Supreme Court of India dismissed the Civil Appeals of 12 Noticees and issued Notice in case of 2 Noticees.

In case of 32 Noticees whose case has been remanded back by the Hon'ble SAT to SEBI, SEBI has passed fresh Order dated 27-01-2023 and corrigendum dated 08-02-2023 to the Order dated 27-01-2023. In the said Order, SEBI exonerated 6 Noticees and passed adverse Order against remaining 26 Noticees. Out of these 26 Noticees, 22 Noticees have filed Appeals before the Hon'ble Tribunal challenging the Order of SEBI. The Hon'ble Tribunal vide its Order dated 25-04-2023 set aside the Order of SEBI in case of 17 Noticees and Appeals of 5 Noticees are still pending for hearing before the Hon'ble Tribunal.

The Hon'ble Securities Appellate Tribunal has passed an Order dated 29.04.2022 in the matter of appeals filed against Order dated 03rd September, 2020 read with Corrigendum Order dated 07thSeptember, 2020.

After passing of the said Order, Mr. Manoj Agarwal has immediately resigned from the post of Director of the Company.

14 Noticee including the Company, its Promoters and/or Directors challenged the Order of the Hon'ble SAT before the Hon'ble Supreme Court of India by filing Civil Appeals. **The Hon'ble Supreme Court of India dismissed the Civil Appeals of 12 Noticees including Company**, and issued Notice in case of 2 Noticees.

B. SCN issued under Section 15-I of the SEBI Act read with Rule 4 of the SEBI Adjudication Rules, 1995 by the Adjudicating Officer, SEBI

SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (SEBI PFUTP Regulations)

In the parallel proceeding, the Adjudicating Officer, SEBI had issued Show Cause Notice (SCN) dated 12-02-2018 to 150 Noticees under Section Rule 4 of the Adjudication Rules, 1995 in the matter of Company for alleged violation of SEBI PFUTP Regulations. The period of investigation was 01-12-2011 to 07-01-2015.

The Adjudicating Officer, SEBI vide Order dated 30-08-2022 and corrigendum dated 04-10-2022 to the Order dated 30-08-2022 passed adverse order against 67 Noticees out of total 150 Noticees. The Ld. Adjudicating Officer in the said Order imposed penalties in the range of Rs. 1 Lakh to Rs. 20 Lakhs against 67 Noticees.

The Ld. Adjudicating Officer has imposed a penalty of Rs. 20 Lakh each against the Company and its Promoters and /or Directors namely Mrs. Deepa Mittal, Mr. Manoj Kumar Agarwal Mr. Santosh Kumar Agarwal, Mrs. Sandhya Agarwal, Mrs. Ruchi Agarwal, Mrs. Krishna Agarwal and Mr. Manish Agarwal.

The Company and its Promoters and /or Directors namely Mrs. Deepa Mittal, Mr. Manoj Kumar Agarwal Mr. Santosh Kumar Agarwal, Mrs. Sandhya Agarwal, Mrs. Ruchi Agarwal, Mrs. Krishna Agarwal and Mr. Manish Agarwal filed Appeals before the Hon'ble Securities Appellate Tribunal and challenged the Order of the Ld. Adjudicating Officer.

The Hon'ble Tribunal admitted the Appeals and now the matter is pending before the Hon'ble Tribunal for final hearing.

C. The Ld. Adjudicating Officer, SEBI had issued a Show Cause Notice dated 13-08-2021 (SCN) under Section 15-I of the SEBI Act read with Rule 4(1) of the SEBI Adjudication Rules, 1995 for alleged violation of SEBI PFUTP Regulation. The SCN had been issued to 43 Noticees including the Company and its Promoters.

In the SCN, it is alleged that the Company had self- financed in its own preferential allotment of 28,00,000 shares on 28.03.2011 and 70,00,000 shares on 23.03.2012 to 27 and 46 promoter and non-promoter entities.

In conclusion of the proceedings, **the Ld. Adjudicating Officer, SEBI vide Adjudication Order MC/RM/2022-23/23027-23069 dated 23-01-2023 disposed off the proceedings initiated against all the 43 Noticees including the Company** and its Promoters without passing any adverse Order as the allegation made in the SCN did not find to be true.

3. None of the Auditors of the Company have reported any fraud as specified under Section 143(12) of the Act; and

4. Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

Scale Based Regulations

Reserve Bank of India issued a circular on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs on 22 October 2021 ("SBR Framework"). As per the framework, based on size, activity, and risk perceived, NBFCs are categorized into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). As per RBI categorization we, Sulabh Engineers and Services Limited as an NBFC come under - Base

Layer (NBFC-UL). Company has made the Disclosure in the financial Statement as required under Scale Based Regulation (SBR) of RBI.

Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016

During the year under review, there was no application filed by or against the Company for corporate insolvency process under IBC before the NCLT.

The details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

During the year under review there was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGMENTS

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.

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 Directors express their appreciation for the dedication and commitment with which the employees of the Company at all levels have worked during the period. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board

Sd/-

Vimal Kumar Sharma

Managing Director

DIN:00954083

Place: Kanpur

Date: 14.08.2023

Sd/-

Rakesh Chand Agarwal

Director

DIN:03539915

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

As provide under Clause 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Management Personnel have confirmed compliance with the code of conduct for the year ended March 31, 2023.

For and on behalf of the Board

Sd/-

Vimal Kumar Sharma

Managing Director

DIN:00954083

Sd/-

Rakesh Chand Agarwal

Director

DIN:03539915

Place: Kanpur

Date: 14.08.2023

COMPLIANCE CERTIFICATE**[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]**

We, Vimal Sharma, Managing Director & Seema Mittal , Chief Financial Officer certify that :

a) We, have reviewed the financial statements and cash flow statement for the year ended 31st March, 2023 and 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) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2023 are fraudulent, illegal or violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference;

ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-

Vimal Kumar Sharma

Managing Director

DIN:00954083

Sd/-

Rakesh Chand Agarwal

Director

DIN:03539915

Place: Kanpur

Date: 14.08.2023

**Satish Soni & Co.
Chartered Accountants**

15/1, 2nd Floor, Metro House, S. B. S. Road, Colaba, Mumbai Maharashtra, India- 400001
Mobile : 9322693989, Phone : +91 22 2287 6467, E mail: consultscsoni@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 31st March 2023, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the listing agreement of the said Company with the Stock Exchange

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

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

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

For Satish Soni & Co.
Chartered Accountants

Sd/-

Satish Omprakash Soni

M.No.-044391

FRN-109333W

UDIN: 23044391BGXVI6274

Date: 14.08.2023

Place: Mumbai

Annexure-A**NOMINATION & REMUNERATION POLICY**

The policy is prepared in accordance with the provisions of Section 178(3) of the Companies Act, 2013 ('Act') and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Nomination and Remuneration Committee recommended the following remuneration policy relating to the remuneration being paid to Directors, Key Managerial Personnel and other employees, which was approved and adopted by the Board.

This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

1. REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

The Company may pay sitting fees for the Board meeting and Committee meeting attended by Non Executive Directors in line with as may be decided.

2. REMUNERATION OF EXECUTIVE DIRECTOR AND KMP

The payment of managerial remuneration to Executive Directors, Key Managerial Personnel and Senior Management Team will be reviewed and recommended by Nomination and Remuneration Committee which will be approved by Board of Directors and/or shareholders as per applicable provisions of Companies Act, 2013 and Listing Regulations.

Further remuneration of Other Employees shall be decided/ recommended and approved by the management/ Executive Directors based on company's Policy.

Further following points need to be considered while making payment of remuneration to Directors, Key Managerial Personnel and Senior Management:

- The Remuneration and terms of employments shall be fixed/ recommended in such a manner that the structure is clear and meets appropriate performance benchmarks.
- The Remuneration involve a good balance between fixed and incentive pay reflecting short and long term performance objective appropriate to the working of the Company and its goals.
- The remuneration will be in correlation of company's Policy.

- No directors or Key Managerial Personnel should be directly involved in determining their own remuneration or their performance evaluation.
- The 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
- That the compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
- An Independent Director shall not be entitled to any stock option including long term incentive of the Company.

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTORS AND IN SENIOR MANAGEMENT:

Pursuant to provisions of section 178(3) of the Act read with Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee is required to formulate the criteria for determining qualification, positive attributes and independence of a Director and senior management and for appointment of independent director the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The criteria adopted by the Nomination and Remuneration Committee for the aforesaid purpose is as under:

Qualification: He/ she should be qualified and eligible as per the provisions prescribed under Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and should possess appropriate skills, experience, expertise and knowledge.

Criteria for appointing a Director:

- He should be knowledgeable and diligent in updating his knowledge and should possess adequate qualification, skills, experience and expertise by which the Company can benefit and should be person of integrity, with high ethical standards.
- Independent Director, in addition to above should fulfill the criteria for being appointed as an Independent Director prescribed under Section 149 of the Companies Act, 2013 read with Schedule IV to the said Act and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- In addition to above Executive Directors should possess quality like leadership, vision, ability to steer the organization even in adverse condition, innovative thinking and team mentoring.

In case of Re-appointment following additional criteria shall be considered:

- **Executive Directors:** The committee will evaluate the performance during his/her tenure as Director of the Company as well performance of the Company including all such other factors as required under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws as amended from time to time to be considered for re-appointment of director.

- **Non-executive Directors (including Independent Directors):** The committee will evaluate the performance during his/ her tenure as Director in the Company, attendance and participation in the meetings and contribution to the activities of the Board and including all such other factors as per Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other applicable laws as amended from time to time to be considered for reappointment of director.

Criteria for appointing a Senior Management Employee/ Key Managerial Personnel:

- He should possess adequate educational qualification from recognized institution.
- He should have integrity, hardworking, positive thinking and other skills as required for suitable position.
- Detailed background information will be cross checked from reliable sources.
- Criteria under Company's Policy will be followed.

Annexure-B**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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 31st March, 2023 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 31st March, 2023 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 thereunder;
- (iii) The Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015 and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (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'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the Audit period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021(not applicable to the company during the Audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(not applicable to the company during the Audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client(not applicable to the company during the Audit period);

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the Audit period)and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018(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.

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 hereinbelow:

The Hon'ble Securities Appellate Tribunal has passed an Order dated 29.04.2022 in the matter of Appeals filed against Order dated 03rd September, 2020 read with Corrigendum Order dated 07th September, 2020. The Company, its Promoters and/or Directors challenged the Order of the Hon'ble SAT before the Hon'ble Supreme Court of India by filing Civil Appeals. The Hon'ble Supreme Court of India dismissed the Civil Appeals of 12 Noticees including Company.

The Adjudicating Officer, SEBI had issued Show Cause Notice(SCN) dated 12-02-2018 under Section 15-I of the SEBI Act read with Rule 4 of the Adjudication Rules, 1995 in the matter of Company for alleged violation of SEBI PFUTP Regulations. The company has paid penalty amounting to Rs. 20.00 Lakh under protest, the matter is pending before the Hon'ble Tribunal for final hearing.

UDIN:F007100E000773151

Place : Kanpur

Date :09/08/2023

PRU Certificate No.:1515/2021

Sd/-

CS GOPESH SAHU

FCS: 7100

C.P.No.7800

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.
5. Where ever required, I have obtained the management Representation about the compliance of laws, rules and regulation and happening of every events etc.
6. 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.
7. 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.

UDIN:F007100E000773151

Place : Kanpur

Date :09/08/2023

Sd/-

CS GOPESH SAHU

FCS: 7100

C.P.No.7800

PRU Certificate No.:1515/2021

Annexure- C

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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
Office No. 211/3, D-288-289, Street No. 10,
Wadhwa Complex, Vikas Marg, Laxmi Nagar
East Delhi DL 110092

We 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 our opinion thereon.

Based on our 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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 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:

We 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 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not applicable during the reporting period**
- (iii) The Securities and Exchange Board of India (Listing Obligation And Disclosure Requirements) Regulations, 2015 and the rules made thereunder; **Not applicable during the reporting period**
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (not

applicable to the company); **Not applicable during the reporting period**

(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 during the reporting period**

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- **Not applicable during the reporting period**

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not applicable during the reporting period**

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not applicable during the reporting period**

© The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable during the reporting period**

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

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

(g) 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 reporting period**

(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **not applicable to the company during the Audit period** and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**not applicable to the company during the Audit period**);

(vii) Other Laws as per the representation given by the company.

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

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

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

We 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 26.05.2022; 06.08.2022; 12.11.2022; 08.02.2023. Further the Annual General Meeting of the Company took place on 27.09.2022.

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.

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:11.08.2023

For V. Agnihotri & Associates.

SD/-

(Prop: Vaibhav Agnihotri)

Mem No. 10363

C P No.: 21596

UDIN: F010363E000749431

Peer Review No.: 2065/2022

“ANNEXURE – A” to the Secretarial Audit Report

To,
The Members,
M/S Rodic Coffee Estates Private Limited
Office No. 211/3, D-288-289, Street No. 10,
Wadhwa Complex, Vikas Marg, Laxmi Nagar
East Delhi DL 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:11.08.2023

For V. Agnihotri & Associates.

Sd/-
(Prop: Vaibhav Agnihotri)
Mem No. 10363
C P No.: 21596
UDIN: F010363E000749431
Peer Review No.: 2065/2022

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

Sl.	Particulars required	Relevant details
i	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Mrs. Seema 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.
ii	Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year	There was no increase in remuneration of any director, Chief Financial Officer, Chief Executive Officer.
iii	Percentage increase in the median remuneration of employees in the financial year	NIL
iv	Number of permanent employees on the rolls of company	04
v	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
vi.	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.N.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.N.A.

ANNEXURE- E**MANAGEMENT DISCUSSION & ANALYSIS****GLOBAL ECONOMIC REVIEW**

Over the course of the past year, the global economy has experienced numerous challenges in the form of geopolitical tension, rising interest rates, high inflation levels. Due to geopolitical conflicts, crude oil prices soared, global trade was impacted and inflationary pressures worsened. To rein in inflation, Central Banks across the world, including the US Federal Reserve, responded with synchronized rate hikes. A stronger boost from pent-up demand in numerous economies or a fall in inflation is expected in the course of 2023. The emerging and developing economies of the world are likely to play a major role in accelerating global economic growth.

MACRO-ECONOMIC ENVIRONMENT

Last two years have been the struggling to overlap crises, the latest being the liquidity trouble in a series of global bank crises. Global economic activity is experiencing a broad based and sharper than expected slowdown .The cost of living crisis ,tightening financial conditions in most regions , Russia's invasion of Ukraine and the lingering Covid -19 pandemic all weight heavily on the world economic outlook.

Global growth slowed in 2022 to 3.2% more than 1 percentage point weaker than expected, mainly weighed down by Russia's war of aggression in Ukraine .Global growth has stabilized towards the end of the year but the improvement is fragile.

These uncertainties continue to undermine the confidence among consumers and business to spend impacting economic growth. Despite this gloom market analysis this could well be India's decade. Despite continuing the global uncertainties Indian economy has fared better than previous years. The Indian economy expanded 4.4% year on year in the three months to December of 2022.

Exports performed well, probably because of the depreciated currency against the dollar. We are positive that investment will likely see a turnaround soon. In fact, the next two years will be crucial for investment to gain momentum before the economy takes off on a sustained and rapid growth path.

INDIAN ECONOMY OVERVIEW

The Indian economy remained remarkably resilient to global challenges in F.Y. 2022-23. This is evident by robust domestic demand and upbeat investment activity. Sectoral analysis reveals that growth was driven by robust construction activity aided by increased infrastructure investment both by the Central Government and State Governments, which paved the way for large-scale employment opportunities. Building on the gains of first half of the fiscal year, the second half continued to see a gradual upswing in demand and economic activity. While post-covid, private investment recovery is still at a nascent stage, there are early signals, which indicate that India is

poised for a stronger investment up cycle in both manufacturing and services sectors. The number of private investment projects under implementation in the manufacturing sector is also steadily growing.

Outlook According to the International Monetary Fund (IMF), global growth is predicted to bottom out at 2.8% in 2023, and then grow to 3.0% in 2024. Along with improvement in growth rate, inflation is expected to moderate from 8.7% in 2022 to 7.0% in 2023, before reaching 4.9% in 2024. IMF identifies that inflation, though moderating, has mostly been sticky. The reduction reflects severe reversal in energy and food prices, but core inflation (excluding food and energy prices) may not have peaked yet.

Major regulatory updates

Company has complied with the guidelines issued by RBI and other regulatory authorities regarding accounting guidelines, prudential norms for credit rating, Know Your Customer (KYC) guidelines and Anti Money Laundering (AML) Standards, Fair Practices Code, grievance Redressal mechanism, recovery of dues. The Company has provided for impairment of loans and advances as per IND AS 109 prescribed under section 133 of the Companies Act, 2013 and as per the Master Directions of RBI.

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, 2023 Circular

i) NPA classification in case of interest repayments, Increasing Consumer Awareness among the borrowers to be complied - March 31, 2023

ii) Specification of Due date/repayment date - December 31, 2021

b) As per February 15, 2023 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, 2023, 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 fulfil 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 post further risk to the Indian NBFC industry.

INTERNAL CONTROLS AND ADEQUACY

The Company has put in place an adequate internal control system to safeguard all its assets and ensure operational excellence. The system also meticulously records all transaction details and ensures regulatory compliance. The Company also has a team of internal auditors to conduct internal audit which ensure that all transactions are correctly authorized and reported. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions initiated. For and on behalf of the Board of Directors.

HUMAN RESOURCE CAPITAL

The Company believes that the quality and dynamism of its human capital has enabled it to significantly enhance customer experience and stakeholder's value. In order to sustain its growth the company works relentlessly towards being customer-focused, and ready for the future. The Company is focused on creating a competitive and cordial working environment and strengthens the talent pool by providing employees with career enhancement opportunities.

Cautionary Statement

The statements made in this report describing the Company's objectives, estimations, expectations or projections, outlooks constitute forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ from such expectations, projections, among others, whether express or implied. The statements are based on certain assumptions and future events over which the Company has no direct control. The Company assumes no responsibility to publicly amend, modify and revise any of the statements on the basis of any subsequent developments, information or events.

ANNEXURE- F
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.	Particulars	
01	Name	Rodic Coffee Estates
02	Reporting Period	01.04.2022-
03	Reporting Currency	INR
04	Share Capital	50000000.00
05	Reserves & Surplus	108500178.00
06	Total Assets	211336914.00
07	Total Liabilities	211336914.00
08	Investments	NIL
09	Turnover	22033933.00
10	Profit before Taxation	6616295.00
11	Provision for	-171816.00
12	Profit after Taxation	6788111.00
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- G
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. 18559081.00 remains outstanding as on 31.03.2023 as Unsecured Loan which was 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
DIN:00954083

REPORT ON CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Sulabh Engineers and Services Limited. (the 'Company' or 'SESL') for Financial year 2022-23.

This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of RBI for Non-Banking Financial Companies (the 'NBFC Regulations'), as applicable to the Company.

Company's Philosophy on Code of Governance

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

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 ~~an~~ 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.

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.

Governance Structure

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 woman 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 Woman Director as follows:

Table 1: The composition of the Board and the number of directorships held by them as on March 31, 2023

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) Capital Market,
- c) Human resources & stakeholder engagement,
- d) Sales & delivery,
- e) Risk management,
- f) Knowledge of the industry,
- g) Leadership,
- h) 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.

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 2022-23, a separate meeting of the Independent Directors of the Company was held on March 31, 2023.

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.

Table 2: 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

Pursuant to the provisions of Regulation 17(2A) of the Listing Regulations and Section 103 of the Companies Act, 2013 the necessary quorum was present for all the meeting. The gap between any two board meeting didnot exceed 120 days as mandated under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the Listing Regulations. Leave of Absence was granted to the non- attending directors on their request and noted in the attendance register as well as in the minutes of the meeting, The Conduct of Board Meetings is in compliance with applicable provisions of the Companies Act, 2013 and Secretarial Standards (SS-1) on the meetings of the Board of Directors issued by the Institute of Company Secretaries of India.

Table 3: Number of Board meetings and the attendance of Directors during the financial year 2022-23

Board meetings are usually held at the Corporate Office of the Company located in Kanpur . The agenda for each meeting is drafted by the Company Secretary in consultation with the Chairman of the Board and

Name of Director	DIN	Category of Directorship	No. of Board Meeting Held	No. of Board Meeting attended	Last AGM Attended	Other Directorship	Committee Position		Share holding (No of Shares)
							Chairman	Member	
Mr. Vimal Kumar Sharma	00954083	Managing Director	04	03	YES	6	NIL	2	NIL
Mrs. Seema Mittal	06948908	Executive Director	04	03	NO	NIL	NIL	01	NIL
Mr. Deepak Agarwal	02247228	Independent Director	04	03	YES	NIL	01	01	NIL
Mr. Rakesh Chand Agarwal	03539915	Independent Director	04	04	NO	1	02	01	NIL
Mr. Vijay Kumar Jain	08208856	Independent Director	04	02	NO	1	NIL	01	NIL

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.

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, Four Board meetings were held on the below dates:

- a) May 30, 2022;
- b) August 08, 2022;
- c) November 14, 2022; and
- d) February 10, 2023

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 inter-alia upon:
 - Accounting Policies and any changes thereto;
 - Ensuring Compliance with the Accounting Standards
 - Compliance with the Laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the Preparation and disclosure of financial Statements:

- Significant issues arising out of Audit:
 - The Going concern assumption;
 - Major accounting entries based upon exercise of judgment by the management;
 - Any related party transactions i.e. transactions of the Company of Material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with interest of the Company at large
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board ' s Report in term of clause (c) of Sub- section 3 of section 314 of the Companies Act, 2013
- IV. Review with the management and auditors the adequacy of internal controlsystems;
 - 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;

Mandatory Review by Audit Committee:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses; and

(5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

(6) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Composition, Name of Member and Chairman

The Audit Committee comprises of:

Sr.No	Name	Category	Designation
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 30.05.2022, 06.08.2022, 14.11.2022 & 10.02.2023. 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	03
Mr. Rakesh Chand Agarwal	Independent	Member	04	03
Mr. Vimal Kumar Sharma	Non-Independent	Member	04	03

B. NOMINATION & REMUNERATION COMMITTEE

The Company has Nomination and remuneration Committee's (N & RC) Constitution pursuant to the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015 read with Part D of Schedule II of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013

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:

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates

2. formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. devising a policy on diversity of board of directors;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.6. recommend to the board, all remuneration, in whatever form, payable to senior management.

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 One times during the year on 06.08.2022

SL No.	Name	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. Rakesh Chand Agarwal	Independent	Chairman	01	01
2.	Mr. Deepak Agarwal	Independent	Member	01	01
3.	Mr. Vijay Kumar Jain	Independent	Member	01	00

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(“SRC”) are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the 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.
- g) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- h) Review of measures taken for effective exercise of voting rights by shareholders.
- i) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- j) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

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 10.02.2023.

SI	Name	Category	Designation	No. of Meetings
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				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 2022-23, are as under:

SL NO	Name and designation	Salary	Other Benefits	Total
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
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.
2021-2022	29/09/2022	Held through Video Conferencing/Other Audio Visual Means ("VC/OAVM") pursuant to notifications issued by Ministry of Corporate Affairs	01:00P.M.

B. MEANS OF COMMUNICATION

The Annual Report containing the Financial statements are posted/ e- mailed to the Shareholders of the Company in compliance with the provisions of the Companies Act, 2013

Financial Results: The Un- Audited quarterly/ half yearly results are announced within forty five days of the close of the quarter, The Audited Annual Results are announced within sixty days from the closure of the Financial year as per the requirement of the Listing Regulations. The approved financial results are forth with sent to the Stock Exchnage and are published in one national (English) Newspaper "Business Standard" and one vernacular (Marathi) Newspaper "Apla Maharashtra"

Website: The Company's website: 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: Monday
- Date: 25/09/2023
- Time: 01:00 P.M.
- Mode: Video Conferencing/Other Audio Visual Means (VC/OAVM)
- Venue: Corporate Office

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 Friday, September 22, 2023 to Sunday, September 24, 2023.

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, 25th Floor, P J Towers, Dalal Street Mumbai- 400 001

6. Stock Code and other related information:

BSE LIMITED	ISIN	CIN
508969	INE673M01029	L28920MH1983PLC029879

7. Market Price:

Month	High (Rs)	Low (Rs)	Volume
April 2022	6.85	4.69	559,665
May 2022	15.13	5.60	12,358,684
June 2022	11.17	5.46	3,632,213
July 2022	6.23	4.67	2,932,991
August 2022	5.61	4.12	3,056,911
September 2022	5.40	4.08	1,388,856
October 2022	4.80	3.76	873,166
November 2022	4.49	3.75	1,374,901
December 2022	6.89	4.25	3,871,368
January 2023	5.29	4.34	901,507
February 2023	4.70	3.71	780,012
March 2023	4.17	3.17	1,128,104

8. Registrar and Transfer Agent:
M/S Skyline Financial Services Private Limited

Skyline Financial Services Private Limited is the Registrar and Share Transfer Agent (R&TA) of the Company. Members are requested to send all their communications and documents pertaining to both shares in physical form and dematerialized form to the R&TA at the following address: D-153-A, 1st 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: +91-22-67707822, and e-mail id is “sulabhinvestorscell@gmail.com”.

10. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1st April, 2019, except in case of request received for transmission or transposition or re-lodgement of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company.

The Company annually obtains certificate from a Company Secretary in Practice confirming the issue of share certificates, sub-division, consolidation, transmission etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Securities and Exchange Board of India is also submitted to the stock exchange on yearly basis.

As per SEBI notification SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 read with SEBI Press Release dated 3rd December, 2018, the requests for effecting transfer of securities (except in case of transmission, transposition or re-lodgement of securities) is not being processed after 31st March, 2019, unless the securities are held in the dematerialized form with the depositories.

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 31st March 2023:**

Category	No. of Shares	% of Holding
A) Promoters Holding		
Individuals	22683437	22.58
Bodies Corporate	3000000	2.99
Sub-Total (A)	25683437	25.56
B) Non-Promoters Holding		
Bodies Corporate	16973984	16.89
Individuals	53472481	53.22
HUF	3798676	3.78
TRUST	55510	0.06
Non Resident Indians	117105	0.12
NBFC Registered with RBI	10000	0.01
Clearing Members/House	5507	0.01
IEPF	3000	0.00
FIRMS	355300	0.35
Sub-Total(B)	74791563	74.44

Grand Total(A+B)	100475000	100.00
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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, 2023:
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	14314	95.74	6376666.00	6.35
5001 To 10,000	287	1.92	2157711.00	2.15
10001 To 20,000	121	0.81	1791572.00	1.78
20001 To 30,000	46	0.31	1145012.00	1.14
30001 To 40,000	27	0.18	965869.00	0.96
40001 To 50,000	24	0.16	1085486.00	1.08
50001 To 1,00,000	34	0.23	2478009.00	2.47
1,00,000 and Above	98	0.66	84474675.00	84.08
Total	14951	100.00	100475000.00	100.00

13. Updation of PAN, KYC and Nomination:

SEBI vide its circular dated 3 November 2021 has, inter alia, mandated that any service request shall be entertained only upon registration of the PAN, KYC details, and nomination. The forms prescribed for these purposes are given below:

Forms	Purpose
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ISR-1	Request for registering PAN, KYC details or Changes/Updation thereof
ISR-2	Confirmation of Signature of securities holder by the Banker
SH-13	Nomination form
ISR-3	Declaration to Opt-out for Nomination
SH-14	Change in Nomination

Members may access the above forms from website of the company at <https://www.bajajfinserv.in/finservshareholders-information-listing-on-stock-exchange>.

The folios wherein any one of the cited document/details are not updated on or after 30th September 2023 shall be frozen by the RTA. Such members will not be permitted to lodge grievance or avail service request from the RTA, unless the KYC details are updated. Further, such member will not be eligible to receive dividend in physical mode.

The frozen folios will then be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002 after 31 December 2025.

In view of the above, the Company is sending communication to members holding shares in physical form requesting them to update the said details.

14. Dematerialization of Shares and Liquidity:

As on March 31, 2023, 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”).

15. Address for correspondence:

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

16. Managing Director /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 29/05/2023 stating the particulars specified under the said clause.

VI. OTHER DISCLOSURES

1. Disclosure of Materially Significant Related Party Transactions

During the Financial Year 2022-23, 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. 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 except as mentioned under point "OTHERS" of Director Report on Page no. 10-12.(Correct page no will be mentioned later on finalization)

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. 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.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 (9) and (10) of SEBI (LODR).The Code of Conduct has been posted on Company website: www.sulabh.org.in

5. 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 2022-23 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 have been uploaded on the Company's website.

PREVENTION OF INSIDER TRADING

Pursuant to the provisions Regulation 3(5) of Insider Trading Regulations, a structured digital database shall be maintained by the listed entity, containing the nature of UPSI and the names of such persons who have shared the UPSI and also the names of such persons with whom UPSI is shared along with the PAN. In view of the same, the Company has undertaken requisite measures and is maintaining the data in the required software which enables the insiders to effectively share the UPSI and also maintain a track record of the UPSI shared along with the requisite details of the Originator (including Deemed Originators) and the Recipient (including Deemed Recipients) and the date and time of sharing the UPSI. Accordingly, the financials and other UPSI for the meetings are shared using the UPSI Tracking Portal with the insiders and are available for restricted access. SEBI mandated the listed companies to file the System Driven Disclosure ("SDD") Compliance Certificate on a quarterly basis with the stock exchanges stating the UPSI transactions captured in the said portal during the quarter.

Pursuant to provisions of Regulation 3(5) and 3(6) Insider Trading Regulations the Company timely submits the required certificate with the exchanges duly certified by the Company Secretary and Compliance Officer in the prescribed SEBI format confirming that the Company maintains a Structured Digital Database in place along with other relevant disclosures.

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees. The Board reviews the policy on a need basis.

6. 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.

7. Certificate of Non-Disqualification of Directors 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 as Attached as "Annexure H".

8. Statutory Auditor & Fees :

Satish Soni & 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.

9. Disclosure under Sexual Harassment Policy for Women at work place (Prevention, Prohibition and redressal Act , 2015)

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A 'Prevention of Sexual Harassment' Policy ("POSH Policy"), which is in line with the statutory requirements, along with a structured reporting and redressal mechanism, is in place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and

the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

S. no.	Particulars	Status
1.	Number of Complaints during the Financial year	Nil
2.	Number of Complaints disposed off	Nil
3.	Number of Complaints pending	Nil

10.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.

11.Disclosure of Accounting Treatment:

In the preparation of the Financial Statements the company has followed the applicable accounting Standards referred to in section 133 of the Companies Act, 2013.The Significant Accounting Policies which are consistently applied have been set out in the noted to Financial Statements.

12. Compliance with the Listing regulations:

The Company has complied with all applicable Listing Requirements of the Listing Regulations relating to the obligations of the Listed Entity which has listed its specified Securities.

13. Corporate Governance Requirements:

The Company has complied with all the mandatory Corporate Governance requirements specified in Regulations 17 to 27 of the Listing Regulations and has also adopted the non – Mandatory prescribed in Part – E of Schedule II of Regulation 27 of the Listing Regulations.

14. Secretarial Standards:

The Company has complied all the applicable provisions of the Secretarial Standard issued by the Institute of the Company Secretaries of India

15. 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.

16.Credit Rating obtained by the listed entity along with any revision:

There was no Credit Rating obtained by the listed entity because our Company has not taken loan from any sources.

17.Details of Non- Compliance by the listed entity, penalties imposed by the Stock exchange:

There was no Non- Compliance by the Listed entity or any penalties by the Stock Exchange in the financial year under review.

18.Disclosure with respect to Demat Suspense Account or un- claimed Suspense:

Our Company has not any Demat Suspense Account in the financial year under review.

DECLARATION OF MANAGING DIRECTOR

As provided under regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) , Regulations 2015, s this is to certify that Sulabh Engineers and Services Limited (“the Company”) has laid down Code of Ethics, Conduct & Professional Responsibility Policy (“theCode of Conduct”) for all the Board members and senior management personnel of the Company and the same is uploaded on thewebsite 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, 2023.

Date: 14.08.2023

Place: Kanpur

On behalf of the Board

For Sulabh Engineers And Services Limited

Sd/-

Vimal Sharma

ManagingDirector

DIN:00954083

“ANNEXURE-H”

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) 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 31st March, 2023 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.

Sr. No.	Name of the Director	DIN	Date of appointment
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.

Place: Kanpur
Date:19/05/2023

Sd/-
CS GOPESH SAHU
FCS: 7100,CP: 7800
UDIN:F007100E000338123
Peer Review Certificate No.:1515/2021

Satish Soni & Co.

Chartered Accountants15/1, 2nd Floor, Metro House, SBS Road, Colaba, Mumbai, Maharashtra, India 400 001

Mobile: 9322693989 | Phone: +91 22 22876467 | Email : consultscsoni@gmail.com

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 2023, 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 2023, 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.

Satish Soni & Co.

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.

Satish Soni & Co.

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 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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.

Satish Soni & 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 Satish Soni & Co.
Chartered Accountants
FRN : 109333W

Sd/-
CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
UDIN : 23044391BGXMUY1186
Mumbai, May 29, 2023

Satish Soni & 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 2023, 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 2023 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 2023.
- (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 Company 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 Satish Soni & Co.
Chartered Accountants
FRN : 109333W

Sd/-
CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
UDIN : 23044391BGXMUY1186
Mumbai, May 29, 2023

Satish Soni & 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 2023

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 2023 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 2023, 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.

Satish Soni & 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 Satish Soni & Co.
Chartered Accountants
Firm's Registration No: 109333W
Sd/-
CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
UDIN : 23044391BGXMUY1186
Mumbai, May 29, 2023

Sulabh Engineers & Services Limited
Annual Report 2022-23
Balance Sheet

(Rs. In Lakhs)

Particulars	Note No	As at 31 March	
		2023	2022
ASSETS			
1) Financial Assets			
(a) Cash and cash equivalents	2.1	235.69	20.31
(b) Bank Balance other than (a) above		-	-
(c) Receivables		-	-
(d) Loans	2.2	1,509.71	1,565.55
(e) Investments	2.3	543.90	401.28
(f) Other Financial assets	2.4	1.83	14.84
		2,291.12	2,001.98
2) Non-financial Assets			
(a) Deferred tax Assets (Net)	2.5	4.31	5.77
(b) Biological assets other than bearer plants		-	-
(c) Property, Plant and Equipment	2.6	334.04	339.95
(d) Other non-financial assets	2.7	-	200.99
		338.36	546.70
Total Assets		2,629.47	2,548.68
LIABILITIES AND EQUITY			
LIABILITIES			
1) Financial Liabilities			
(a) Payables		2.8	
(l) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro and small enterprises		2.00	3.41
		2.00	3.41
2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)		16.08	15.00
(b) Provisions	2.9	5.30	5.30
(c) Deferred tax liabilities (Net)	2.5	1.50	-
		22.88	20.30
3) EQUITY			
(a) Equity Share capital	2.10	1,004.75	1,004.75
(b) Other Equity	2.11	1,599.84	1,520.22
		2,604.59	2,524.97
Total Liabilities and Equity		2,629.47	2,548.68

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
FRN : 109333W
For and on behalf of Board of Directors

sd/-

CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
Mumbai, May 29, 2023

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

Annual Report 2022-23

Statement of profit and loss

Particulars	For the year ended 31 March		
	Note No	2023	2022
Revenue from operations			
Interest Income	3.1	142.72	118.66
Net gain on fair value changes	3.2	-	-
Other operative income	3.3	-	39.50
Impairment on financial instruments	3.6	5.95	-
Total Revenue from operations		148.66	158.16
Other Income (to be specified)	3.4	0.03	-
Total Income		148.69	158.16
Expenses			
Finance Costs	3.5	-	-
Employee Benefits Expenses	3.7	10.29	8.15
Depreciation, amortization and impairment	2.6	5.90	7.17
Others expenses	3.8	19.94	63.62
Total Expenses		36.12	78.93
Profit/(loss) before tax		112.57	79.22
Tax Expense:			
(1) Current Tax	2.5	30.00	15.00
(2) Prior Period Tax		-	0.21
(3) Deferred Tax		2.95	-3.71
Profit/(loss) for the year		79.62	67.72
Other Comprehensive Income	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		-	-
Other Comprehensive Income for the year (net of tax)		-	-
Total Comprehensive Income for the year		79.62	67.72
Earnings per equity share (for continuing and discontinued operations)	3.10		
Basic (Rs.)		0.08	0.07
Diluted (Rs.)		0.08	0.07

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

FRN : 109333W

sd/-

CA Satish Omprakash Soni

Proprietor

Membership No. : 044391

Mumbai, May 29, 2023

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
Statement of Cash Flow

(Rs. In Lakhs)

Particulars	For the year ended 31 March	
	2023	2022
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of Profit and loss	112.57	79.22
Adjustments for :		
Depreciation & amortisation	5.90	7.17
Investment fair value adjustment	-	-
Impairment on Financial Instruments -----		0.08
Others	-	-
Operating profit before working capital changes	118.47	86.46
Adjustment for:		
(Increase) /Decrease in Loans	55.85	-233.01
(Increase) /Decrease in Other financial and Non-Financial Assets	214.00	1.99
(Increase) /Decrease in Investments	-142.62	113.63
(Decrease)/Increase in Other Financial and Non-Financial Liabilities	-0.33	-2.34
Cash generated from operations	245.38	-33.27
Income Tax	-30.00	-15.21
NET CASH FLOWS FROM OPERATING ACTIVITIES	215.38	-48.48
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) NET CASH FLOWS FROM INVESTING ACTIVITIES	-	-4.48
Cash flow from financing activities		
	-	-
(C) NET CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net increase / (decrease) in cash and cash equivalents	215.38	-52.96
Cash and cash equivalents at the beginning of the year	20.31	73.27
Cash and cash equivalents at the end of the year	235.69	20.31

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
FRN : 109333W

sd/-

CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
Mumbai, May 29, 2023
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

Annual Report 2022-23

Statement of Changes in Equity
Equity share capital

Rs in Lakhs

Particulars	For the year ended 31 March	
	2023	2022
Balance at the beginning of the year	-	-
Changes in equity share capital during the year	-	-
Balance at the end of the year	-	-

Other Equity

Particulars	Reserves and surplus				Other comprehensive income	Total other equity
	Securities Premium	Retained earnings	Reserve fund as per RBI Act	General reserve		
For the year ended 31 March 2023						
Balance as at 31 March 2022	980.00	425.24	90.97	24.01	-	1,520.22
Profit after tax	-	79.62	-	-	-	79.62
Other comprehensive income (net of tax)	-	-	-	-	-	-
	980.00	504.86	90.97	24.01	-	1,599.84
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-15.92	15.92	-	-	-
Others	-	-	-	-	-	-
	-	-15.92	15.92	-	-	-
Balance as at 31 March 2023	980.00	488.93	106.90	24.01	-	1,599.84
For the year ended 31 March 2022						
Balance as at 31 March 2021	980.00	371.06	77.43	24.01	-	1,452.50
Profit after tax	-	67.72	-	-	-	67.72
Other comprehensive income (net of tax)	-	-	-	-	-	-
	980.00	438.78	77.43	24.01	-	1,520.22
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 2022	980.00	425.24	90.97	24.01	-	1,520.22

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
 FRN : 109333W

For and on behalf of Board of Directors

 sd/-
 CA Satish Omprakash Soni
 Proprietor
 Membership No. : 044391
 Mumbai, May 29, 2023

 sd/-
 Vimal Kumar Sharma
 Managing Director
 DIN: 00954083

 sd/-
 Rakesh Chand Agarwal
 Director
 DIN: 03539915

 sd/-
 CFO
 Seema Mittal

 sd/-
 Company Secretary
 Rekha Kejriwal

Notes to standalone financial statements for the year ended 31 March, 2023
2.1 Cash and cash equivalents

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
Cash on hand	5.96	5.96
Balance with banks:		
In current account	129.73	14.35
In fixed deposits account (with original maturity of 3 months or less)	100.00	-
	235.69	20.31

2.2 Loans

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
At amortised cost		
Loans repayable on demand - unsecured	1,329.83	1,211.35
Loans to subsidiary	185.59	360.09
Less: Impairment loss allowance	5.71	5.89
Total	1,509.71	1,565.55
Others - unsecured	-	-
Less: Impairment loss allowance	-	-
Total	-	-
Total Loans	1,515.42	1,571.44
Less: Impairment loss allowance	5.71	5.89
Total Loans	1,509.71	1,565.55
Out of the above		
Loans in India		
(i) Public Sector	-	-
(ii) Others	1,515.42	1,571.44
Total	1,515.42	1,571.44
Less: Impairment loss allowance	5.71	5.89
	1,509.71	1,565.55

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 2023		
	Stage 1	Stage 2	Stage 3
Opening balance	1,554.50	16.94	-
New disbursements	1,465.50	-	-
Assets derecognised	-	-	-
Other movements including partial repayments and interest accruals	(1,525.17)	3.64	-
Closing Balance	1,494.84	20.58	-

Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Opening balance	1,372.36	16.94	-
New disbursements	240.00	-	-
Assets derecognised	-	-	-
Other movements including partial repayments and interest accruals	(57.85)	-	-
Closing Balance	1,554.50	16.94	-

Notes to standalone financial statements for the year ended 31 March, 2023
c) Reconciliation of ECL balance

Particulars	Year ended 31 March 2023		
	Stage 1	Stage 2	Stage 3
Opening balance	5.52	0.38	-
New disbursements & Other movements	(0.79)	0.61	-
Assets derecognised	-	-	-
Closing Balance	4.73	0.98	-

Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Opening balance	4.77	1.04	-
New disbursements & Other movements	0.75	(0.67)	-
Assets derecognised	-	-	-
Closing Balance	5.52	0.38	-

2.3 Investments

Particulars	As at 31 March	
	2023	2022
Investments in equity instruments		
At Deemed cost		
(i) In subsidiary - Roddic Coffee Estates Private Limited	255.00	255.00
	255.00	255.00
At fair value through profit or loss		
(i) In mutual funds	74.60	141.90
Add: Fair value gains / (losses)	(3.62)	(7.53)
	70.98	134.37
(ii) In gold coins	5.71	5.71
Add: Fair value gains / (losses)	8.06	6.21
	13.76	11.91
(ii) In Real Estate (Flat at Emerald, Kanpur)	204.16	-
Add: Fair value gains / (losses)	-	-
	204.16	-
Total	543.90	401.28
Out of the above		
In India	543.90	401.28
Outside India		
Total	543.90	401.28

2.4 Other financial assets

Particulars	As at 31 March	
	2023	2022
Advance tax and tax	-	12.53
Security deposit	1.50	1.50
Accrued Interest on loans	-	-
Advance to suppliers and others	0.33	0.81
Total	1.83	14.84

2.5 Deferred tax assets (net)
Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

Particulars	As at 31 March	
	2023	2022
Profit before tax	112.57	79.22
Tax expenses		
Current Tax	30.00	15.00
Prior Period Taxes	-	0.21
Deferred Tax	2.95	(3.71)

Deferred tax assets recorded in Balance Sheet

Particulars	As at 31 March	
	2023	2022
Deferred tax relates to the following:		
Deferred tax assets		
Depreciation and amortization	4.31	2.83
Impairment of financial instruments	-	(0.02)
Unrealised net loss on fair value changes	-	2.96
Gross deferred tax assets	4.31	5.77
Deferred tax liabilities		
Unrealised net gain on fair value changes	1.50	-
Gross deferred tax liabilities	1.50	-
Deferred tax assets/(liabilities), net	2.82	5.77

Changes in deferred tax assets recorded in profit or loss

Particulars	As at 31 March	
	2023	2022
Deferred tax relates to the following:		
Deferred tax assets		
Depreciation and amortization	1.49	(0.56)
Impairment of financial instruments	0.02	0.03
Unrealised net loss on fair value changes	(4.46)	(3.18)
Unrealised net gain on fair value changes	-	-
	(2.95)	(3.71)

2.7 Other non - financial assets

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
Capital advances	-	200.99
Total	-	200.99

2.8 Payables

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
(i) TDS payable	0.20	-
(i) Other payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues creditots other than micro enterprises and small enterprises	1.80	3.41
Total	2.00	3.41

	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	2.00				2.00
Disputed dues of micro enterprises and small enterprises					
Disputed dues of creditors other than micro enterprises and small enterprises					

2.9 Provisions

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
Provisions retained for sale of non-performing assets as per RBI	5.30	5.30
Total	5.30	5.30

Notes to standalone financial statements for the year ended 31 March, 2023

2.10 Equity

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
Authorized		
11,00,00,000 (11,00,00,000) equity shares of Rs. 1/- each	1,100.00	1,100.00
Issued, subscribed and paid up		
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		
As at 1 April 2021	100,475,000	1,004.75
Add: issued during the year	-	-
As at 31 March 2022	100,475,000	1,004.75
As at 31 March 2022	100,475,000	1,004.75
Add: issued during the year	-	-
As at 31 March 2023	100,475,000	1,004.75

(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 31-03-2023		As at 31-03-2022	
	Nos.	% Holding	Nos.	% Holding
Ruchi Agarwal	5816000	6%	5816000	6%
Sandhya Agarwal	5375000	5%	5375000	5%
Total	11191000	11%	11191000	11%

2.11 Other equity

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
(i) Securities premium		
Balance at the beginning of the year	980.00	980.00
Add: Received during the year	-	-
Balance at the end of the year	980.00	980.00
(ii) Retained earnings		
Balance at the beginning of the year	425.24	371.06
Profit for the year	79.62	67.72
	504.86	438.78

Notes to standalone financial statements for the year ended 31 March, 2023

Appropriations:		
Transfer to reserve fund in terms of section 45-IC of the RBI Act, 1934	15.92	13.54
	15.92	13.54
Balance at the end of the year	488.93	425.24

Particulars	As at 31 March	
	2023	2022
Other reserves		
(iii) Reserve fund in terms of section 45-IC of the RBI Act, 1934		
Balance at the beginning of the year	90.97	77.43
Add: Received during the year	15.92	13.54
Balance at the end of the year	106.90	90.97
(iv) General reserve		
Balance at the beginning of the year	24.01	24.01
Addition/deduction during the year	-	-
Balance at the end of the year	24.01	24.01
(v) Other comprehensive income		
Balance at the beginning of the year	-	-
Addition/deduction during the year	-	-
Balance at the end of the year	-	-
Total other equity	1,599.84	1,520.22

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.

Sulabh Engineers & Services Limited
Annual Report 2022-23
2.6 Property, plant and equipment and intangible assets

(Rs. In Lakhs)

For the financial year 2022-23

Particulars	Gross block			Depreciation and amortization			Net block		
	1 April	Additions	Deduction /adjustments	31 March	1 April	Deduction /adjustments	For the year	31 March	31 March
	2022			2023	2022			2023	
Freehold Land	320.91	-	-	320.91	-	-	-	-	320.91
Vehicles	35.14	-	-	35.14	20.25	-	4.65	24.90	10.24
Furniture and fixtures	0.14	-	-	0.14	0.13	-	0.00	0.13	0.01
Computers	2.02	-	-	2.02	1.91	-	-	1.91	0.11
Office equipments	4.77	-	-	4.77	0.75	-	1.25	2.00	2.77
Sub-total	362.98	-	-	362.98	23.04	-	5.90	28.94	334.04
Intangible assets (b)									
Softwares	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-
Total	362.98	-	-	362.98	23.04	-	5.90	28.94	334.04

For the financial year 2021-22

Particulars	Gross block			Depreciation and amortization			Net block		
	1 April	Additions	Deduction /adjustments	31 March	1 April	Deduction /adjustments	For the year	31 March	31 March
	2021			2022	2021			2022	
Property, plant and equipment (a)									
Freehold Land	320.91	-	-	320.91	-	-	-	-	320.91
Vehicles	35.14	-	-	35.14	13.50	-	6.75	20.25	14.89
Furniture and fixtures	0.14	-	-	0.14	0.12	-	0.01	0.13	0.01
Computers	2.02	-	-	2.02	1.91	-	-	1.91	0.10
Office equipments	0.37	4.40	-	4.77	0.34	-	0.41	0.75	4.03
Sub-total	358.58	4.40	-	362.98	15.87	-	7.17	23.04	339.95
Intangible assets (b)									
Softwares	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-
Total	358.58	4.40	-	362.98	15.87	-	7.17	23.04	339.95

On transition date the Company has elected to carry previous GAAP carrying amount as deemed cost.

Notes to standalone financial statements for the year ended 31 March, 2023

3.1 Interest Income

(Rs. In Lakhs)

Particulars	For the year ended 31 March	
	2023	2022
On financial assets measured at amortized cost:		
Loans	139.39	118.66
Investments	3.33	-
Debentures	-	-
Total	142.72	118.66

3.2 Net gain on fair value changes

(Rs. In Lakhs)

Particulars	For the year ended 31 March	
	2023	2022
Realised	-	-
Unrealised	-	-
Total	-	-

3.3 Other Operating Income

(Rs. In Lakhs)

Particulars	For the year ended 31 March	
	2023	2022
Dividend income	-	-
Profit on trading / sale of shares and securities (net)	-	39.50
Total	-	39.50

3.4 Other Income

In Lakhs

Particulars	For the year ended 31 March	
	2023	2022
Excess provisions written back	0.03	-
Profit on sale of Vehicle	-	-
Total	0.03	-

3.5 Finance Cost

(Rs. In Lakhs)

Particulars	For the year ended 31 March	
	2023	2022
Other interest expense	-	-
Total	-	-

3.6 Impairment on financial instruments measured at amortised cost

For the year ended

31 March

Particulars	For the year ended 31 March	
	2023	2022
Loans	0.18	-
Investments	5.77	-
Total	5.95	-

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

Particulars	Year ended 31 March 2023		
	Stage 1	Stage 2	Stage 3
Loans	4.78	0.98	-
Investments	0.18	-	-
Total	4.96	0.98	-

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

Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Loans	-	-	-
Total	-	-	-

Notes to standalone financial statements for the year ended 31 March, 2023

3.7 Employee Benefits Expenses

(Rs. In Lakhs)

Particulars	For the year ended	
	31 March	
	2023	2022
Salaries and wages	10.29	8.15
Staff welfare expenses	-	-
Total	10.29	8.15

3.8 Other Expenses

Particulars	For the year ended	
	31 March	
	2023	2022
Advertisement	3.34	1.12
Annual fees-Stock Exchange	3.54	3.54
Bank Charges	0.03	0.02
Communication expenses	0.11	0.09
CDSL N NSDL	1.18	1.83
Filing Fee	0.19	0.07
Insurance	0.67	0.71
Legal and professional fees	4.19	39.51
Miscellaneous expenses	0.30	0.23
Net loss on fair value changes	-	11.78
Impairment Loss	-	0.08
Payment to auditors *	2.00	0.30
Printing and stationery	0.20	0.01
Provision for standard assets		
Repairs and maintenance	0.09	0.25
Rent	3.84	3.84
Travelling and conveyance	0.26	0.24
Total	19.94	63.62

3.9 Other Comprehensive Income

Particulars	For the year ended	
	31 March	
	2023	2022
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	
	2023	2022
Profit for the year as per Statement of Profit and Loss	79.62	67.72
Weighted average number of Equity Shares in calculating Basic and Diluted EPS	100475000	100475000
Basic earnings per share	0.08	0.07
Diluted earnings per share	0.08	0.07

Notes to standalone financial statements for the year ended 31 March, 2023

4.1 Contingent liabilities and commitments

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
(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	
	2023	2022
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	2023		2022	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Holding Company, subsidiaries and fellow subsidiaries					
1. Roddic Coffee Estates Private Limited (Subsidiary Company)	Investments in equity shares	-	255.00	-	255.00
	Loans and advances	174.50	185.59	30.00	360.09
(B) Key managerial personnel and their relatives					
1. Seema Mittal (Director, CFO)	Remuneration	1.80	-	1.80	-
2. Siddharth Dwivedi (Company Secretary)	Remuneration	-	-	2.60	-
3. Rekha Kejriwal (Company Secretary)	Remuneration	5.40	-	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)
Classification Of Financial Assets And Liabilities :

Particulars	As at 31 March	
	2023	2022
Financial Assets at Amortized Cost		
Cash and cash equivalents	235.69	20.31
Loans	1,509.71	1,565.55
Investments	255.00	255.00
Other Financial assets	1.83	14.84
Financial Assets at Fair Value through profit and loss		
Investments	288.90	146.28
TOTAL	2,291.12	2,001.98
Financial Liabilities at Amortized Cost		
Payables	2.00	3.41
TOTAL	2.00	3.41

Notes to standalone financial statements for the year ended 31 March, 2023
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 2023				Total
	Due from less than 1 year	Due from 1 to 2 Years	Due from 2 to 5 Years	After 5 years	
Trade Payables	2.00				2.00
Total	2.00				2.00
Particulars	As at 31 March 2022				Total
	Due from less than 1 year	Due from 1 to 2 Years	Due from 2 to 5 Years	After 5 years	
Trade Payables	3.41				3.41
Total	3.41				3.41

Notes to standalone financial statements for the year ended 31 March, 2023
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	
	2023	2022
Total Debt	-	-
Total Equity	2,604.59	2,524.97
Debt / Equity Ratio	-	-
Regulatory capital		
Particulars	As at 31 March	
	2023	2022
Tier I Capital		
Tier II Capital		
Risk weighted assets (RWA)		
Tier I CRAR		
Tier II CRAR		
Dividend distribution made and proposed		
Particulars	As at 31 March	
	2023	2022
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	1,494.84	4.73	1,490.11	2.99	1.74
	Stage- 2	20.58	0.98	19.60	0.08	0.90
Sub-Total		<u>1,515.42</u>	<u>5.71</u>	<u>1,509.71</u>	<u>3.07</u>	<u>2.64</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	-	-	-	-	-
Sub-Total for doubtful		-	-	-	-	-
Loss	Stage- 3	-	-	-	-	-
Sub-Total for NPA		-	-	-	-	-
Others	Stage- 1	-	-	-	-	-
	Stage- 2	-	-	-	-	-
	Stage- 3	-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage- 1	1,494.84	4.73	1,490.11	2.99	1.74
	Stage- 2	20.58	0.98	19.60	0.08	0.90
	Stage- 3	-	-	-	-	-
	Total	<u>1,515.42</u>	<u>5.71</u>	<u>1,509.71</u>	<u>3.07</u>	<u>2.64</u>

Notes to standalone financial statements for the year ended 31 March, 2023
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 2023

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Investments held for trading under FVTPL	31-03-2023		543.90		

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	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Investments held for trading under FVTPL	31-03-2022		401.28		

Notes to standalone financial statements for the year ended 31 March, 2023

Fair value of financial instruments not measured at fair value as at 31 March 2023

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Financial assets					
Cash and cash equivalent	235.69	235.69	-	-	235.69
Loans	1,509.71	1,509.71	-	-	1,509.71
Investments	543.90	543.90	-	-	543.90
Other financial assets	1.83	1.83	-	-	1.83
	<u>2,291.12</u>	<u>2,291.12</u>	<u>-</u>	<u>-</u>	<u>2,291.12</u>
Financial liabilities					
Trade payables	-	-	-	-	-
Other payables	2.00	2.00	-	-	2.00
	<u>2.00</u>	<u>2.00</u>	<u>-</u>	<u>-</u>	<u>2.00</u>

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 markets	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Financial assets					
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
	<u>2,001.98</u>	<u>1,600.70</u>	<u>401.28</u>	<u>-</u>	<u>2,001.98</u>
Financial liabilities					
Trade payables	-	-	-	-	-
Other payables	3.41	3.41	-	-	3.41
	<u>3.41</u>	<u>3.41</u>	<u>-</u>	<u>-</u>	<u>3.41</u>

Notes to standalone financial statements for the year ended 31 March, 2023

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	
	2023	2022
i. Loans and advances in the nature of loans to subsidiaries		
Roddic Coffee and Estates Private Limited	185.59	360.09
ii. Deposits	Nil	Nil
iii. Guarantees	Nil	Nil

4.12 Additional Regularory Information

a. Analytical Ratios

Ratios	Numerator	Denominator	As at 31 March		% Variance
			2023	2022	
Current Ratio (in times)	Current assets	Current liabilities	1,145.56	586.81	95.22%
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	3.06%	2.68%	13.98%
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	0.06	0.08	-17.93%
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)	4.32%	3.14%	37.75%
Return on investments (in %)	Income generated from treasury investments	Average invested funds in treasury investments	30.20%	59.14%	-48.94%

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 Satish Soni & Co.

Chartered Accountants

FRN : 109333W

sd/-

CA Satish Omprakash Soni

Proprietor

Membership No. : 044391

Mumbai, May 29, 2023

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 Kejariwal

1. Notes to standalone financial statements for the year ended 31 March 2023

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.

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)
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'.

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)**(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:

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)

- 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.

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)
(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.

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)

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 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)

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)

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

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)

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.

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)**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.

Notes to standalone financial statements for the year ended 31 March 2023 (contd.)

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.

SULABH ENGINEERS AND SERVICES LIMITED

Section I

(Applicable for annual financial statements of NBFC-BL, NBFC-ML and NBFC-UL)

A) Exposure

1) Exposure to real estate sector

(Amount in ₹ crore)

Category	Current year	Previous Year
<p><i>i) Direct exposure</i></p> <p>a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund based (NFB) limits.</p> <p>b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits.</p> <p>c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –</p> <p style="padding-left: 40px;">i. Residential</p> <p style="padding-left: 40px;">ii. Commercial Real Estate</p> <p><i>ii) Indirect Exposure</i> Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.</p>		
Total Exposure to Real Estate Sector		

2) Exposure to capital market NIL

3) Sectoral exposure

Sectors	Current Year			Previous Year		
	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ crore)	Gross NPAs (₹ crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	1.86	0.00	0.00	3.76	0.00	0.00
2. Industry						
i. Medium	5.81	0.00	0.00	6.85	0.00	0.00
ii Micro & Small	0.00	0.00	0.00	1.40	0.00	0.00
Others	5.41	0.00	0.00	1.42	0.00	0.00
Total of Industry (i+ii+...+Others)						
3. Services						
i. Trade	2.01	0.00	0.00	2.28	0.00	0.00
ii. Commercial Real Estate	0.06	0.00	0.00	0.00	0.00	0.00
Others						
Total of Services (i+ii+...+Others)						
4. Personal Loans						
i...						
ii...						
Others						
Total of Personal Loans (i+ii+...+Others)						
5. Others, if any (please specify)						

Note:

- i. The disclosures as above shall be based on the sector-wise and industry-wise bank credit (SIBC) return submitted by scheduled commercial banks to the Reserve Bank and published by Reserve Bank as 'Sectoral Deployment of Bank Credit'.
- ii. In the disclosures as above, if within a sector, exposure to a specific sub-sector/industry is more than 10 per cent of Tier I Capital of a NBFC, the same shall be disclosed separately within that sector. Further, within a sector, if exposure to specific sub-sector/industry is less than 10 per cent of Tier I Capital, such exposures shall be clubbed and disclosed as "Others" within that sector.

4) Intra-group exposures

NBFCs shall make the following disclosures for the current year with comparatives for the previous year:

- i) Total amount of intra-group exposures
- ii) Total amount of top 20 intra-group exposures
- iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers

5) Unhedged foreign currency exposure

NBFCs shall disclose details of its unhedged foreign currency exposures. Further, it shall also disclose their policies to manage currency induced risk.

B) Related Party Disclosure

(Amount in ₹ crore)

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel [®]		Relatives of Key Management Personnel [®]		Others*		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous Year	Current year	Previous year
Borrowings [#]														
Deposits [#]														
Placement of deposits [#]														
Advances [#]			1.86	3.60									1.86	3.60
Investments [#]														
Purchase of fixed/other assets														
Sale of fixed/other assets														
Interest paid														
Interest received														
Others*														

[®] Disclosures for directors and relatives of directors should be made separately in separate columns from other KMPs and relatives of other KMPs.

[#] The outstanding at the year end and the maximum during the year are to be disclosed

* Specify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.

1. Related party, in the context of the aforementioned disclosure, shall include all related parties as per the applicable accounting standards. Further, related party shall also include following related parties defined

under Section 2(76) of the Companies Act, 2013.

- i. a director or his relative;
 - ii. a key managerial personnel or his relative;
 - iii. a firm, in which a director, manager or his relative is a partner;
 - iv. a private company in which a director or manager or his relative is a member or director;
 - v. a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
 - vi. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
 - vii. any person on whose advice, directions or instructions a director or manager is accustomed to act:
- Provided that nothing in clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

2. At a minimum, Key Management Personal (KMPs) shall include following key managerial personnel as per section 2(51) of the Companies Act, 2013.

- i. the Chief Executive Officer or the managing director or the manager
- ii. the company secretary
- iii. the whole-time director
- iv. the Chief Financial Officer
- v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed

3. Relatives of KMPs at the minimum, shall include following relatives as defined under section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of definitions details) Rules, 2014.

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) Father; Provided that the term "Father" includes step-father.
- (2) Mother: Provided that the term "Mother" includes the step-mother.
- (3) Son: Provided that the term "Son" includes the step-son.
- (4) Son's wife.
- (5) Daughter.
- (6) Daughter's husband.

(7) Brother: Provided that the term “Brother” includes the step-brother;

(8) Sister: Provided that the term “Sister” includes the step-sister.

C) Disclosure of complaints

1) *Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman*

Sr. No		Particulars	Current Year	Previous Year
Complaints received by the NBFC from its customers				
1.		Number of complaints pending at beginning of the year	0	0
2.		Number of complaints received during the year	0	0
3.		Number of complaints disposed during the year	0	0
	3.1	Of which, number of complaints rejected by the NBFC	0	0
4.		Number of complaints pending at the end of the year	0	0
Maintainable complaints received by the NBFC from Office of Ombudsman				
Sr. No		Particulars	Current Year	Previous Year
5.*		Number of maintainable complaints received by the NBFC from Office of Ombudsman	0	0
	5.1.	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	0	0
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	0	0
6.*		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0
<p>Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.</p> <p>* It shall only be applicable to NBFCs which are included under The Reserve Bank - Integrated Ombudsman Scheme, 2021</p>				

2) Top five grounds² of complaints received by the NBFs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
	Current Year				
Ground - 1	NONE				
Ground - 2	NONE				
Ground - 3	NONE				
Ground - 4	NONE				
Ground - 5	NONE				
Others	NONE				
Total					
	Previous Year				
Ground - 1	NONE				
Ground - 2	NONE				
Ground - 3	NONE				
Ground - 4	NONE				
Ground - 5	NONE				
Others	NONE				
Total					

² The list of grounds of complaints given below are indicative only.

1. Credit Cards	2. Difficulty in operation of accounts	3. Mis-selling	4. Recovery Agents/ Direct Sales Agents
5. Loans and advances	6. Levy of charges without prior notice/ excessive charges/ foreclosure charges	7. Non-observance of fair practices code	8. Staff behaviour
9. Facilities for customers visiting the office/ adherence to prescribed working hours, etc.	10. Others		

Satish Soni & Co.

Chartered Accountants



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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 accompanying Consolidated financial statements of Sulabh Engineers & Services Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as the "Group"), which comprise the Consolidated balance sheet as at 31 March 2023, 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") read with the Companies (Indian Accounting Standards) Rule, 2015 as amended ("Ind AS) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit and consolidated other comprehensive income, consolidated changes in equity and its consolidated 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 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 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 Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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 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.

Satish Soni & Co.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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 financial 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 and its subsidiary companies which are companies incorporated in India, 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 use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

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.

Satish Soni & Co.

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. (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 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 of the Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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 Group.

Satish Soni & Co.

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

- (d) (i) The respective 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 respective 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 performed by us on the Company and its subsidiary which are incorporated in India whose financial statements have been audited under the Act, 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.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Satish Soni & Co.
Chartered Accountants
FRN : 109333W

Sd/-
CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
UDIN : 23044391BGXMUZ1747
Mumbai, May 29, 2023

Satish Soni & 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 2023

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 Company") as of 31 March 2023 in conjunction with our audit of the Consolidated 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 Consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to Consolidated 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 respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 internal financial controls with reference to Consolidated Financial Statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 internal financial controls with reference to Consolidated Financial Statements, 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 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 internal financial controls of the Company and its subsidiary companies, with reference to Consolidated financial statements.

Satish Soni & 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 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 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 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 Satish Soni & Co.
Chartered Accountants
Firm's Registration No: 109333W**

Sd/-
**CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
UDIN : 23044391BGXMUZ1747
Mumbai, May 29, 2023**

Sulabh Engineers & Services Limited

Annual Report 2022-23

Consolidated Balance Sheet

(Rs. In Lakhs)

Particulars	Note No	As at 31 March	
		2023	2022
ASSETS			
1) Financial Assets			
(a) Cash and cash equivalents	2.1	250.93	105.79
(b) Bank Balance other than (a) above		-	-
(c) Receivables	2.2	42.83	82.61
(d) Loans	2.3	1,324.12	1,205.46
(e) Investments	2.4	288.90	146.28
(f) Other Financial assets	2.5	11.34	21.99
	2.6	1,918.12	1,562.14
2) Non-financial Assets			
(a) Deferred tax Assets (Net)	2.7	7.45	7.19
(b) Biological assets other than bearer plants	2.6	57.40	61.30
(c) Property, Plant and Equipment	2.8	2,319.29	2,334.16
(d) Other non-financial assets	2.9	-	200.99
		2,384.14	2,603.63
Total Assets		4,302.25	4,165.76
LIABILITIES AND EQUITY			
LIABILITIES			
1) Financial Liabilities			
(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		2.84	15.73
(b) Borrowings	2.11	338.00	338.00
		340.84	353.73
2) Non-Financial Liabilities			
(a) Current tax liabilities (Net)		16.08	15.00
(b) Provisions	2.12	9.24	9.94
(c) Deferred tax liabilities (Net)	2.7	1.50	-
		26.82	24.94
3) EQUITY			
(a) Equity Share capital	2.13	1,004.75	1,004.75
(b) Other Equity	2.11	2,153.18	2,038.94
Equity attributable towards the owner of the company		3,157.93	3,043.69
Non- controlling interest		776.65	743.39
Total Equity		3,934.59	3,787.08
Total Liabilities and Equity		4,302.25	4,165.76

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

FRN : 109333W

Sd/-

CA Satish Omprakash Soni

Proprietor

Membership No. : 044391

Mumbai, May 29, 2023

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

Annual Report 2022-23

Consolidated Statement of profit and loss

Particulars	Note No	For the year ended 31 March	
		2023	2022
Revenue from operations			
Interest Income	3.1	142.72	118.66
Net gain on fair value changes	3.2	-	-
Other operative income	3.3	-	39.50
Sale of Products	3.4	220.34	216.24
Total Revenue from operations		363.06	374.40
Other Income (to be specified)	3.5	0.64	0.11
Total Income		363.70	374.29
Expenses			
Finance Costs	3.6	-	-
Impairment on financial instruments	3.7	-5.95	-
Changes in Inventory of Finished goods and Stock in Trade	3.8	3.90	54.83
Employee Benefits Expenses	3.9	25.23	21.25
Depreciation, amortization and impairment	2.8	15.71	15.13
Others expenses	3.10	146.07	159.77
Total Expenses		184.96	250.98
Profit/(loss) before tax		178.74	123.32
Tax Expense:			
(1) Current Tax	2.5	30.00	17.41
(2) Prior Period Tax			0.21
(3) Deferred Tax		1.23	5.33
Profit/(loss) for the year		147.51	111.02
Other Comprehensive Income	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		-	-
Other Comprehensive Income for the year (net of tax)		-	-
Total Comprehensive Income for the year		147.51	111.02
Profit for the year attributable to			
Equity owners of the company		114.24	89.80
Non-controlling interest		33.27	21.22
		147.51	111.02
Earnings per equity share (for continuing and discontinued operations)	3.10		
Basic (Rs.)		0.15	0.11
Diluted (Rs.)		0.15	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 Satish Soni & Co.
Chartered Accountants
FRN : 109333W

Sd/-

CA Satish Omprakash Soni

Proprietor

Membership No. : 044391

Mumbai, May 29, 2023

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	
	2023	2022
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per statement of Profit and loss	178.74	123.34
Adjustments for :		
Depreciation & amortisation	15.71	15.13
Investment fair value adjustment	-	-
Impairment on Financial Instruments -----		0.08
Others	-	-
Operating profit before working capital changes	194.45	138.53
Adjustment for:		
(Increase) /Decrease in Loans	-118.65	-323.01
(Increase) /Decrease in Other financial and Non-Financial Assets	255.32	115.49
(Increase) /Decrease in Investments	-142.62	113.63
(Decrease)/Increase in Other Financial and Non-Financial Liabilities	-12.51	-2.62
Cash generated from operations	175.99	42.01
Income Tax	-30.00	-17.62
NET CASH FLOWS FROM OPERATING ACTIVITIES	145.99	24.39
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	-0.84	-14.34
Others	-	0.00
(B) NET CASH FLOWS FROM INVESTING ACTIVITIES	-0.84	-14.34
Cash flow from financing activities		
	-	-0.08
(C) NET CASH FLOWS FROM FINANCING ACTIVITIES	-	-0.08
Net increase / (decrease) in cash and cash equivalents	145.15	9.97
Cash and cash equivalents at the beginning of the year	105.79	95.82
Cash and cash equivalents at the end of the year	250.93	105.79

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
FRN : 109333W
Sd/-
CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
Mumbai, May 29, 2023
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

Annual Report 2022-23

Statement of Changes in Equity
Equity share capital

Particulars	Rs in Lakhs	
	For the year ended 31 March	
	2023	2022
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		
For the year ended 31 March 2023						
Balance as at 31 March 2022	980.00	522.34	90.97	24.01	-	1,617.32
Profit after tax	-	147.51	-	-	-	147.51
Other comprehensive income (net of tax)	-	-	-	-	-	-
	980.00	669.84	90.97	24.01	-	1,764.82
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-15.66	15.66	-	-	-
Others	-	-	-	-	-	-
	-	-15.66	15.66	-	-	-
Balance as at 31 March 2023	980.00	654.18	106.63	24.01	-	1,764.82
For the year ended 31 March 2022						
Balance as at 31 March 2021	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	-	-13.54	13.54	-	-	-
Others	-	-	-	-	-	-
	-	-13.54	13.54	-	-	-
Balance as at 31 March 2022	980.00	522.34	90.97	24.01	-	1,617.32

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
FRN : 109333W
Sd/-
CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
Mumbai, May 29, 2023
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

Notes to Consolidated financial statements for the year ended 31 March, 2023
2.1 Cash and cash equivalents

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
Cash on hand	13.22	35.91
Balance with banks:		
In current account	137.71	69.88
In fixed deposits account (with original maturity of 3 months or less)	100.00	-
	250.93	105.79

2.2 Receivables

Particulars	As at 31 March	
	2023	2022
Considered good	42.83	82.61
Considered doubtful		
Less: Allowances	-	-
	42.83	82.61

2.3 Loans

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
At amortised cost		
Loans repayable on demand - unsecured	1,329.83	1,211.35
Loans to subsidiary	185.59	360.09
Less: Impairment loss allowance	5.71	5.89
Less: Mutual Owing	185.59	360.09
Total	1,324.12	1,205.46
Others - unsecured	-	-
Less: Impairment loss allowance	-	-
Total	-	-
Total Loans	1,329.83	1,211.35
Less: Impairment loss allowance	5.71	5.89
Total Loans	1,324.12	1,205.46
Out of the above		
Loans in India		
(i) Public Sector	-	-
(ii) Others	1,329.83	1,211.35
Total	1,329.83	1,211.35
Less: Impairment loss allowance	5.71	5.89
	1,324.12	1,205.46

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 2023		
	Stage 1	Stage 2	Stage 3
Opening balance	1,554.50	16.94	-
New disbursements	1,465.50	-	-
Assets derecognised	-	-	-
Other movements including partial repayments and interest accruals	(1,525.17)	3.64	-
Closing Balance	1,494.84	20.58	-
Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Opening balance	1,372.36	16.94	-
New disbursements	240.00	-	-
Assets derecognised	-	-	-
Other movements including partial repayments and interest accruals	(57.85)	-	-
Closing Balance	1,554.50	16.94	-

Notes to Consolidated financial statements for the year ended 31 March, 2023

c) Reconciliation of ECL balance

Particulars	Year ended 31 March 2023		
	Stage 1	Stage 2	Stage 3
Opening balance	5.52	0.38	-
New disbursements & Other movements	(0.79)	0.61	-
Assets derecognised	-	-	-
Closing Balance	4.73	0.98	-

Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Opening balance	4.77	1.04	-
New disbursements & Other movements	0.75	(0.67)	-
Assets derecognised	-	-	-
Closing Balance	5.52	0.38	-

2.4 Investments

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
At fair value through profit or loss		
(i) In mutual funds	74.60	141.90
Add: Fair value gains / (losses)	(3.62)	(7.53)
	70.98	134.37
(ii) In gold coins	5.71	5.71
Add: Fair value gains / (losses)	8.06	6.21
	13.76	11.91
(ii) In Real Estate (Flat at Emerald, Kanpur)	204.16	-
Add: Fair value gains / (losses)	-	-
	204.16	-
Total	288.90	146.28
Out of the above		
In India	288.90	146.28
Outside India		
Total	288.90	146.28

2.5 Other financial assets

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
Advance tax and tax	-	12.53
Security deposit	1.55	1.55
GST Recoverable	9.36	7.00
Accrued Interest on loans	-	-
Advance to suppliers and others	0.43	0.91
Total	11.34	21.99

2.6 Inventories including biological assets

-

Particulars	As at 31 March	
	2023	2022
Finished Goods	57.40	61.30
Total	57.40	61.30

Notes to Consolidated financial statements for the year ended 31 March, 2023

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	
	2023	2022
Profit before tax	178.74	123.32
Current tax expenses	30.00	17.41

Deferred tax assets recorded in Balance Sheet

Particulars	As at 31 March	
	2023	2022
Deferred tax relates to the following:		
Deferred tax assets		
Depreciation and amortization	7.45	4.44
Impairment of financial instruments	-	(0.02)
Unrealised net loss on fair value changes	-	2.96
Gross deferred tax assets	7.45	7.39
Deferred tax liabilities		
Unrealised net gain on fair value changes	1.50	-
Gross deferred tax liabilities	1.50	-
Deferred tax assets/(liabilities), net	5.95	7.39

Changes in deferred tax assets recorded in profit or loss

Particulars	As at 31 March	
	2023	2022
Deferred tax relates to the following:		
Deferred tax assets		
Depreciation and amortization	3.21	(2.17)
Impairment of financial instruments	0.02	0.03
Unrealised net loss on fair value changes	(4.46)	(3.18)
Unrealised net gain on fair value changes	-	-
	(1.23)	(5.33)

2.9 Other non - financial assets

` in lakhs

Particulars	As at 31 March	
	2023	2022
Capital advances	-	200.99
Total	-	200.99

2.10 Payables

` in lakhs

Particulars	As at 31 March	
	2023	2022
(i) Trade payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues creditots other than micro enterprises and small enterprises	-	12.32
	-	12.32
(ii) Other payable		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues creditots other than micro enterprises and small enterprises	2.84	3.41
	2.84	3.41
Total	2.84	15.73

	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	2.84	-	-	-	2.84
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small	-	-	-	-	-

2.11 Borrowings

` in lakhs

Particulars	As at 31 March	
	#REF!	#REF!
Unsecured Borrowings		
From Directors	338.00	338.00
From Parent Company from Others	185.59	360.09
Total	523.59	698.09
Less: Mutual owing	185.59	360.09
Total	338.00	338.00

2.12 Provisions

` in lakhs

Particulars	As at 31 March	
	2023	2022
Provisions retained for sale of non-performing assets as per RBI	5.30	5.30
Other Provisions	3.94	4.64
Total	9.24	9.94

2.10 Equity

` in lakhs

Particulars	As at 31 March	
	2023	2022
Authorized		
11,00,00,000 (11,00,00,000) equity shares of Rs. 1/- each	1,100.00	1,100.00
Issued, subscribed and paid up		
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	100,475,000	1,004.75
Add: issued during the year	-	-
As at 1 April 2019	100,475,000	1,004.75
As at 1 April 2018	100,475,000	1,004.75
Add: issued during the year	-	-
As at 31 March 2020	100,475,000	1,004.75
As at 31 March 2020	100,475,000	1,004.75
Add: issued during the year	-	-
As at 31 March 2021	100,475,000	1,004.75

(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.

Notes to Consolidated financial statements for the year ended 31 March, 2023
(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%
Total	11191000	11%	11191000	11%

2.11 Other equity

` in lakhs

Particulars	As at 31 March	
	2023	2022
(i) Securities premium		
Balance at the beginning of the year	980.00	980.00
Add: Received during the year	-	-
Balance at the end of the year	980.00	980.00
(ii) Retained earnings		
Balance at the beginning of the year	943.96	867.71
Profit for the year	114.24	89.80
	1,058.21	957.50
Appropriations:		
Transfer to reserve fund in terms of section 45-IC of the RBI Act, 1934	15.66	13.54
	15.66	13.54
Balance at the end of the year	1,042.55	943.96
Other reserves		
(iii) Reserve fund in terms of section 45-IC of the RBI Act, 1934		
Balance at the beginning of the year	90.97	77.43
Add: Received during the year	15.66	13.54
Balance at the end of the year	106.63	90.97
(iv) General reserve		
Balance at the beginning of the year	24.01	24.01
Addition/deduction during the year	-	-
Balance at the end of the year	24.01	24.01
(v) Other comprehensive income		
Balance at the beginning of the year	-	-
Addition/deduction during the year	-	-
Balance at the end of the year	-	-
Total other equity	2,153.18	2,038.94

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.

Sulabh Engineers & Services Limited

Annual Report 2022-23

2.8 Property, plant and equipment and intangible assets

(Rs. In Lakhs)

For the financial year 2022-23

Particulars	Gross block				Depreciation and amortization			Net block	
	1 April		31 March		1 April		31 March		31 March
	2022	Additions	Deduction /adjustments	2023	2022	Deduction /adjustments	For the year	2023	2023
Freehold Land	320.91	-	-	320.91	-	-	-	-	320.91
Vehicles	35.14	-	-	35.14	20.25	-	4.65	24.90	10.24
Furniture and fixtures	0.14	-	-	0.14	0.13	-	-	0.13	0.01
Computers	2.02	-	-	2.02	1.91	-	-	1.91	0.11
Office equipments	4.77	-	-	4.77	0.75	-	1.25	2.00	2.77
Sub-total	362.98	-	-	362.98	23.04	-	5.90	28.94	334.05
Intangible assets (b)									
Softwares	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-
Total	362.98	-	-	362.98	23.04	-	5.90	28.94	334.05

For the financial year 2021-22

Particulars	Gross block				Depreciation and amortization			Net block	
	1 April		31 March		1 April		31 March		31 March
	2021	Additions	Deduction /adjustments	2022	2021	Deduction /adjustments	For the year	2022	2022
Property, plant and equipment (a)									
Freehold Land	320.91	-	-	320.91	-	-	-	-	320.91
Vehicles	35.14	-	-	35.14	13.50	-	6.75	20.25	14.89
Furniture and fixtures	0.14	-	-	0.14	0.12	-	0.01	0.13	0.01
Computers	2.02	-	-	2.02	1.91	-	0.00	1.91	0.10
Office equipments	0.37	4.40	-	4.77	0.34	-	0.41	0.75	4.02
Sub-total	358.58	4.40	-	362.98	15.87	-	7.17	23.04	339.95
Intangible assets (b)									
Softwares	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-
Total	358.58	4.40	-	362.98	15.87	-	7.17	23.04	339.95

On transition date the Company has elected to carry previous GAAP carrying amount as deemed cost

Notes to Consolidated financial statements for the year ended 31 March, 2023

3.1 Interest Income

in lakhs

Particulars	For the year ended	
	31 March	
	2023	2022
On financial assets measured at amortized cost:		
Loans	139.39	118.66
Investments	3.33	-
Debentures	-	-
Total	142.72	118.66

3.2 Net gain on fair value changes

In Lakhs

Particulars	For the year ended	
	31 March	
	2023	2022
Realised	-	-
Unrealised	-	-
Total	-	-

3.3 Other Operating Income

In Lakhs

Particulars	For the year ended	
	31 March	
	2023	2022
Dividend income	-	-
Profit on trading / sale of shares and securities (net)	-	39.50
Total	-	39.50

3.4 Sale of Product

In Lakhs

Particulars	For the year ended	
	31 March	
	2023	2022
Sale of Products	220.34	216.24
	-	-
Total	220.34	216.24

3.5 Other Income

In Lakhs

Particulars	For the year ended	
	31 March	
	2023	2022
Excess provisions written back	0.03	-
Other Income	0.61	(0.11)
Total	0.64	(0.11)

3.6 Finance Cost

In Lakhs

Particulars	For the year ended	
	31 March	
	2023	2022
Other interest expense	-	-
Total	-	-

Notes to Consolidated financial statements for the year ended 31 March, 2023
3.7 Impairment on financial instruments measured at amortised cost

Particulars	For the year ended 31 March	
	2023	2022
Loans	0.18	-
Investments	5.77	-
Total	5.95	-

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

Particulars	Year ended 31 March 2023		
	Stage 1	Stage 2	Stage 3
Loans	-	-	-
Total	-	-	-

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

Particulars	Year ended 31 March 2022		
	Stage 1	Stage 2	Stage 3
Loans	-	-	-
Total	-	-	-

3.8 Changes in Inventory of finished goods and Stock in Trade

Particulars	For the year ended 31 March	
	2023	2022
Closing stock of Finished goods	57.40	61.30
Closing Stock of stock in progress	-	-
	57.40	61.30
Less:		
Opening stock of Finished Goods	61.30	116.12
Opening Stock of Work in progress	-	-
	61.30	116.12
(Increase)/Decrease in stock	3.90	54.83

3.9 Employee Benefits Expenses

Particulars	In Lakhs For the year ended 31 March	
	2023	2022
Salaries and wages	22.52	18.80
Contribution to provident Fund	0.39	0.43
Staff welfare expenses	2.32	2.02
Total	25.23	21.25

Notes to Consolidated financial statements for the year ended 31 March, 2023
3.10 Other Expenses

Particulars	For the year ended 31 March	
	2023	2022
Manufacturing Expenses	-	-
Agriculture expenses	18.97	25.16
pPesticides	-	-
Consumables	-	-
Consumption of stores and Spares	-	-
Excise Duty on Contract manufacturing	-	-
Freight Inwards	-	-
Labour Contract Charges	45.76	54.62
Power & Fuel	3.64	3.21
Testing Charges & Licenses fees	-	-
Research & Development expenses	-	-
Other Manufacturing Expenses	-	-
Administrative, Selling & Distribution Expenses		
Advertisement	3.34	1.12
Annual fees-Stock Exchange	3.54	3.54
Bank Charges	0.17	0.04
Communication expenses	0.11	0.12
CDSL N NSDL	1.18	1.83
Filing Fee	0.19	0.07
Insurance	1.26	1.22
Legal and professional fees	25.00	39.80
Miscellaneous expenses	0.54	0.25
Net loss on fair value changes	-	11.78
Impairment Loss	-	0.08
Payment to auditors *	2.60	0.90
Postage & Courier	0.07	0.00
Printing and stationery	0.33	0.14
Provision for standard assets		
Repairs and maintenance	32.56	11.13
Rent	4.15	4.14
Travelling and conveyance	2.66	0.61
Total	146.07	159.77

3.9 Other Comprehensive Income

Particulars	For the year ended 31 March	
	2023	2022
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	
	2023	2022
Profit for the year as per Statement of Profit and Loss	147.51	106.71
Weighted average number of Equity Shares in calculating Basic and Diluted EPS	100475000	100475000
Basic earnings per share	0.15	0.11
Diluted earnings per share	0.15	0.11

Notes to Consolidated financial statements for the year ended 31 March, 2023

4.1 Contingent liabilities and commitments

(Rs. In Lakhs)

Particulars	As at 31 March	
	2023	2022
(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	
	2023	2022
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	2023		2022	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Holding Company, subsidiaries and fellow subsidiaries					
1. Roddic Coffee Estates Private Limited (Subsidiary Company)	Investments in equity shares	-	255.00	-	255.00
	Loans and advances	174.50	185.59	30.00	360.09
(B) Key managerial personnel and their relatives					
1. Seema Mittal (Director, CFO)	Remuneration	1.80	-	1.80	-
2. Siddharth Dwivedi (Company Secretary)	Remuneration	-	-	2.60	-
3. Rekha Kejriwal (Company Secretary)	Remuneration	5.40	-	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)
Classification Of Financial Assets And Liabilities :

Particulars	As at 31 March	
	2023	2022
Financial Assets at Amortized Cost		
Cash and cash equivalents	250.93	105.79
Loans	1,324.12	1,205.46
Investments	255.00	255.00
Other Financial assets	11.34	21.99
Financial Assets at Fair Value through profit and loss		
Investments	33.90	(108.72)
TOTAL	1,875.29	1,479.52
Financial Liabilities at Amortized Cost		
Payables	340.84	353.73
TOTAL	340.84	353.73

Notes to Consolidated financial statements for the year ended 31 March, 2023
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 2023				
	Due from less than 1 year	Due from 1 to 2 Years	Due from 2 to 5 Years	After 5 years	Total
Trade Payables	340.84				340.84
Total	340.84				340.84
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
Total	353.73				353.73

Notes to Consolidated financial statements for the year ended 31 March, 2023

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	
	2023	2022
Total Debt	-	-
Total Equity	3,157.93	3,043.69
Debt / Equity Ratio	-	-

Regulatory capital

Particulars	As at 31 March	
	2023	2022
Tier I Capital		
Tier II Capital		
Risk weighted assets (RWA)		
Tier I CRAR		
Tier II CRAR		

Dividend distribution made and proposed

Particulars	As at 31 March	
	2023	2022
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	1,494.84	4.91	1,489.93	2.99	1.92
	Stage- 2	20.58	0.98	19.60	0.08	0.90
Sub-Total		<u>1,515.42</u>	<u>5.89</u>	<u>1,509.53</u>	<u>3.07</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	-	-	-	-	-
Sub-Total for doubtful		-	-	-	-	-
Loss	Stage- 3	-	-	-	-	-
Sub-Total for NPA		-	-	-	-	-
Others	Stage- 1	-	-	-	-	-
	Stage- 2	-	-	-	-	-
	Stage- 3	-	-	-	-	-
Sub-Total		-	-	-	-	-
Total	Stage- 1	1,494.84	4.91	1,489.93	2.99	1.92
	Stage- 2	20.58	0.98	19.60	0.08	0.90
	Stage- 3	-	-	-	-	-
	Total	<u>1,515.42</u>	<u>5.89</u>	<u>1,509.53</u>	<u>3.07</u>	<u>2.82</u>

Notes to Consolidated financial statements for the year ended 31 March, 2023
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	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Investments held for trading under FVTPL	31-03-2023		288.90		

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	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Investments held for trading under FVTPL	31-03-2022		146.28		

Notes to Consolidated financial statements for the year ended 31 March, 2023

Fair value of financial instruments not measured at fair value as at 31 March 2023

Particulars	Carrying Value	Fair value measurement using			Total
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Financial assets					
Cash and cash equivalent	250.93	250.93	-	-	250.93
Loans	1,324.12	1,324.12	-	-	1,324.12
Investments	288.90	288.90	-	-	288.90
Other financial assets	11.34	11.34	-	-	11.34
	1,875.29	1,875.29	-	-	1,875.29
Financial liabilities					
Trade payables	-	-	-	-	-
Other payables	2.84	2.84	-	-	2.84
	2.84	2.84	-	-	2.84

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 markets	Significant observable inputs	Significant unobservable inputs	
		(Level 1)	(Level 2)	(Level 3)	
Financial assets					
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	1,333.24	146.28	-	1,479.52
Financial liabilities					
Trade payables	-	-	-	-	-
Other payables	15.73	15.73	-	-	15.73
	15.73	15.73	-	-	15.73

Notes to Consolidated financial statements for the year ended 31 March, 2023

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	
	2023	2022
i. Loans and advances in the nature of loans to subsidiaries		
Roddic Coffee and Estates Private Limited	185.59	360.09
ii. Deposits	Nil	Nil
iii. Guarantees	Nil	Nil

4.12 Additional Regularory Information
a. Analytical Ratios

Ratios	Numerator	Denominator	As at 31 March		
			2023	2022	% Variance
Current Ratio (in times)	Current assets	Current liabilities	5.63	4.42	27.43%
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	4.67%	3.65%	28.06%
Trade receivable turnover ratio	Revenue from operations	Average trade receivables	0.23	0.31	-25.71%
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)	5.66%	4.05%	39.70%
Return on investments (in %)	Income generated from treasury investments	Average invested funds in treasury investments	65.59%		

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 Satish Soni & Co.

Chartered Accountants

FRN : 109333W

Sd/-
CA Satish Omprakash Soni
Proprietor
Membership No. : 044391
Mumbai, May 29, 2023

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 Kejariwal

1. Notes to consolidated financial statements for the year ended 31 March 2023
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.

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)
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.

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)
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

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)

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.

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)

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.

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)

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.

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)

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.

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)

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.

Notes to consolidated financial statements for the year ended 31 March 2023 (contd.)

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 40th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 40th Annual General Meeting (AGM) of Members of Sulabh Engineers and Services Limited ('The Company') will be held on Monday, September 25, 2023, 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, 2023 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.

"RESOLVED THAT the audited financial statements including Balance Sheet (Stand-Alone and Consolidated) of the Company as at March 31, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date together with all the notes annexed and the Directors' and Auditors Reports of the Company as at March 31, 2023, placed before the meeting, be and are hereby considered and adopted."

2. To re-appoint Mrs. Seema Mittal, (DIN: 06948908) Director, who retires by rotation and being eligible, offers herself for re-appointment.

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Seema Mittal (DIN: 06948908), who retires by rotation at this meeting, and being eligible, offered herself for re- appointment, be and is hereby re- appointed as Executive Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

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

Re-appointment of Mr. Deepak Agarwal (DIN: 02247228) as an Independent Director of the Company:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read along with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Mr. Deepak Agarwal (DIN: 02247228), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from September 26, 2018 or to the date of the 40th Annual General Meeting, whichever is earlier and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the

Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company commencing from September 26, 2023 or to the date of the 45th Annual General Meeting, whichever is earlier.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

Date: 14th August 2023
Place: Kanpur

By the order of Board
For Sulabh Engineers and Services Limited
Sd/-
(Rekha Kejriwal)
Company Secretary & Compliance Officer

Notes:
General instructions for accessing and participating in the 40th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting

1. The Ministry of Corporate Affairs, Government of India (“MCA”) issued General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 02/2021 dated 13th January, 2021, 19/2021, 20/2021 dated 14th December 2021, 02/2022 dated 5th May, 2022 and 10/2022 dated 28th December 2022, respectively, (“MCA Circulars”) allowing, inter-alia, conduct of AGMs through Video Conferencing (VC) /Other Audio-Visual Means (OAVM) facility on or before 30th September 2023 and also in accordance with the requirement provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2022. Securities and Exchange Board of India (SEBI) also vide its circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/ 62 dated 13th May 2022 and Circular No. SEBI/HO/CFD/PoD-2/ P/CIR/2023/4 dated 05th January 2023 (SEBI Circular”) has provided certain relaxations from compliance with certain provisions of the SEBI (“Listing Obligations and Disclosure Requirements Regulations, 2015 (“Listing Regulations”)., the 40th AGM of the Company is being convened and conducted through VC/OAVM. Further, Members attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
2. The Company has enabled the Members to participate at the 40th AGM through VC/OAVM facility. The instructions for participation by members are given in the subsequent pages.
3. Since the AGM is being conducted through VC/OAVM, Members will not be able to appoint proxies for this meeting. Hence proxies form, Attendance Slip and route map of the venue of the AGM are not annexed to the Notice.
4. The Company has enabled the Members to participate at the 40th AGM through VC/OAVM facility the instructions for participation by members are given in the subsequent pages. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. 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. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at the 40th AGM being held through VC.
5. General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 02/2021 dated 13th January, 2021, 19/2021, 20/2021 dated 14th December 2021, 02/2022 dated 5th May, 2022 and 10/2022 dated 28th December 2022, respectively, (“MCA Circulars”) allowing, inter-alia, conduct of AGMs through Video Conferencing (VC) /Other Audio-Visual Means (OAVM) facility on or before 30th September 2023 and also in accordance with the requirement provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2022. Securities and Exchange Board of India (SEBI) also vide its circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/ 62 dated 13th May 2022 and Circular No. SEBI/HO/CFD/PoD-2/ P/CIR/2023/4 dated 05th January 2023 (SEBI Circular”) has provided

- certain relaxations from compliance with certain provisions of the SEBI ("Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations")., Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
6. 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 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. The process and instructions for remote e-voting are provided in the subsequent pages. Such remote e-voting facility is in addition to voting that will take place at the 40th AGM being held through VC
 7. 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.
 8. In line with the Ministry of Corporate Affairs (MCA) General Circular Nos. 14/2020 dated 8th April 2020, 17/2020 dated 13th April 2020, 20/2020 dated 5th May 2020, 02/2021 dated 13th January, 2021, 19/2021, 20/2021 dated 14th December 2021, 02/2022 dated 5th May, 2022 and 10/2022 dated 28th December 2022, respectively, ("MCA Circulars") allowing, inter-alia, conduct of AGMs through Video Conferencing (VC) /Other Audio-Visual Means (OAVM) facility on or before 30th September 2023 and also in accordance with the requirement provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2022. Securities and Exchange Board of India (SEBI) also vide its circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021, Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/ 62 dated 13th May 2022 and Circular No. SEBI/HO/CFD/PoD-2/ P/CIR/2023/4 dated 05th January 2023 (SEBI Circular") has provided certain relaxations from compliance with certain provisions of the SEBI ("Listing Obligations and Disclosure Requirements Regulations, 2015 ("Listing Regulations").,The Notice calling the AGM has been uploaded on the website of the Company at 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 and 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.

9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under section 189 of the Act, will be available electronically for inspection by the members from the date of circulation of this notice up to the date of the AGM i.e. September 25, 2023. Members seeking to inspect such documents can send an e-mail to sulabheng22@gmail.com.
10. The voting rights of Shareholders shall be in proportion to their shares of the paid -up equity share capital of the Company as on the date **of September 20, 2023.**
11. The Register of Members and Share Transfer Books will remain closed from **September 16, 2023 to September 25, 2023 (both days inclusive) for the purpose of AGM.**
12. Dr. S. K. Jain, S.K.Jain & Co., Practicing Company Secretary, (Certificate of Practice No. 3076) has been appointed as Scrutinizer to scrutinize the e-voting process in fair and transparent manner. The Scrutinizer shall within a period of not exceeding two (2) working days from the conclusion of the e-voting period unlock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
13. The Results shall be declared on or after the 40th Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sulabh.org.in and on the website of CDSL within two (2) days of passing of the resolutions in the 40th Annual General Meeting of the Company on September 25, 2023 and communicated to the BSE Limited.

THE INSTRUCTIONS 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 Friday, the 22nd September, 2023 at 09:00 A.M. and ends on Sunday the 24th September, 2023 at 05:00 P.M. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date), i.e. **20th September, 2023** 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 abovesaid 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 Depository	<ol style="list-style-type: none"> 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 users to login to Easi / Easiest are requested to visit cdsl website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting 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 & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

	<p>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 www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the 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 NSDL Depository</p>	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 & voting during the meeting. 2) If the user is not registered for IdeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IdeAS “Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 & voting during the meeting
<p>Individual Shareholders (holding securities in demat mode) login through</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</p>

their Depository Participants (DP)	website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000

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.
- 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 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> 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.

- (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 <Company Name> 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) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **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 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.
 - 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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 (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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for 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 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/EGM.
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 atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **3 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/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may 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 or contact toll free no. 1800 22 55 33

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, MarathonFuturex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**Item no.3**

The Board of Directors at its meeting held on May 19, 2018 had appointed Mr. Deepak Agarwal as an Additional Director of the Company to hold office till the next Annual General Meeting. Further, the Members appointed Mr. Deepak Agarwal as an Independent Director to hold office for a term of 5 years w.e.f. September 26, 2018 or 40th Annual General Meeting whichever is earlier. Accordingly, the tenure of Mr. Deepak Agarwal, as an Independent Director is due for expire on September 26, 2018 or 40th Annual General Meeting whichever is earlier. In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ reappointment of a Director. In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report. The Independent Directors shall be appointed by the Board of Directors of the Company, based on the nomination received from Nomination and Remuneration Committee of the Company, constituted by the Board, in accordance with Applicable Law and the Independent Director(s) to be so appointed shall be persons of high standing, good repute and widely acknowledged as experts in their respective field, which the Board deems beneficial to the Company.

The Company has received the consent from Mr. Deepak Agarwal to act as the Director in the prescribed Form DIR-2 under Section 152(5) of the Act and Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 along with the declaration on criteria of Independence as per Section 149(6) of the Act. After taking into account the performance evaluation, during his first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Deepak Agarwal during his tenure as an Independent Director since his appointment, the Nomination and Remuneration Committee at its meeting held on 11th August,2023 has considered, approved and recommended the re-appointment of Mr. Deepak Agarwal as an Independent Directors for a second term of five years with effect from September 25, 2023, to the Board of Directors

The Board of Directors at its meeting held on 14th August,2023 has approved the proposal for reappointment of Mr. Deepak Agarwal as an Independent Director for a second term of five consecutive years with effect from **September 25, 2023.**

Except Mr. Deepak Agarwal, being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the Resolution for approval of the Members as a Special Resolution as set out in the item no. 3 of the notice.

ANNEXURE TO THE NOTICE

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]

ITEM NO. 2:

Mrs. Seema Mittal is an Executive Director of the Company whose office is subject to retire by rotation as per Section 152 of the Companies Act, 2013 in the ensuing Annual General Meeting. The resolution seeks for her re-appointment at this Annual General Meeting. The particulars of the director are given below:

Brief Profile

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