PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

SULABH ENGINEERS AND SERVICES LIMITED

Registered office: 185, Sheikh Memon Street, 3rd Floor, Mumbai 400 002, Maharashtra

This Public Announcement (the 'PA') is being issued by the Manager to the Offer i.e. Chartered Capital and Investment Limited, on behalf of the Acquirers, Mr. Manoj Kumar Agarwal and Mrs. Deepa Mittal, pursuant to Regulation 10 and Regulation 12 and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ('SEBI (SAST) Regulations, 1997') and subsequent amendments thereto.

1. The Offer

1.1 This Open Offer (the **"Open Offer"**) is being made by **Mr. Manoj Kumar Agarwal and Mrs. Deepa Mittal** (the **"Acquirers"**) to the equity shareholders of **Sulabh Engineers and Services Limited,** a company incorporated and duly registered under the Companies Act, 1956, (**"SESL"/"Target Company"**) pursuant to Regulation 10 and Regulation 12 and in compliance with and are Person Acting in Concert with each other of SEBI (SAST) Regulations, 1997. There are no other acquirer or other entities/ persons, who are or can be deemed to be persons acting in concert for the purpose of this Open Offer.

1.2 The Acquirers have entered into a Share Purchase Agreement **(SPA)** with Indudevi Jhunjhunwala, Manju Jhunjhunwala, Stuti Jhunjhunwala, M K Jhunjhunwala, Abhishek Jhunjhunwala, Usha Jhunjhunwala, V K Jhunjhunwala, Mayank Jhunjhunwala (hereinafter collectively referred to as **"Sellers"**) on **Monday, July 5, 2010** to acquire 1,09,650 fully paid up equity shares of **Sulabh Engineers and Services Limited,** representing 44.30% of the total issued equity share capital/ voting capital of **SESL** at a price of Rs. 32/- (Rupees Thirty Two Only) per fully paid-up equity share of Rs 10/- each **(Negotiated Price)** payable in cash, at a total consideration of Rs. 35.09 Lacs. The Sellers belong to the Promoter group of the Target Company.

1.3 The Acquirers intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of **SESL** to acquire 49,500 equity shares of Rs. 10/- each representing 20% of the total equity share capital / voting capital of **"SESL"** at a price of Rs. 32/- each (Rupees Thirty Two Only) per fully paid up equity share capital / voting capital (**"Offer Price"**) payable in cash subject to the terms and conditions mentioned hereinafter, whose names appear on the register of members on the **Specified Date** i.e. **Friday, July 30, 2010.**

1.4 There are no partly paid up equity shares in the Target Company.

1.5 The shares of the Target Company are listed at the Bombay Stock Exchange Limited, Mumbai ("BSE"), and Uttar Pradesh Stock Exchange Association Limited, Kanpur ("UPSE"). The shares of the Company are infrequently traded at both the Stock Exchanges, within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulation, 1997.

1.6 The Acquirers have not acquired any equity shares of the Target Company during the twelve (12) months period prior to the date of PA except as entered in the SPA, mentioned at paragraph 1.2 above.

1.7 As on the date of PA, the Acquirers do not hold any equity shares / voting capital of the Target Company except as entered in the SPA, mentioned at paragraph 1.2 above.

1.8 **This is not a competitive bid.**

1.9 The Offer is not a result of global acquisition resulting in indirect acquisition of the Target Company.

1.10 The Manager to the Open Offer **i.e.** Chartered Capital and Investment Limited does not hold any shares in the Target Company as on the date of PA. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Open Offer till the expiry of 15 days from the date of closure of Open Offer.

1.11 Acquirers are entitled to be appointed as additional director on the Board of Directors of the Target Company after a period of 21 days from the date of PA in terms of Regulation 22(7) of SEBI (SAST) Regulations, 1997.

1.12 The Offer is **not** subject to any **minimum level** of acceptance from the shareholders i.e. **it is not a Conditional Offer.**

2. THE OFFER PRICE

2.1 The offer price of Rs. 32/- is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 since the annualised trading turnover is less than 5% (by number of equity shares) of the total number of listed equity shares. Accordingly, the equity shares of the Target Company are deemed to be infrequently traded at the BSE and UPSE. The Offer Price of Rs.32/- (Rupees Thirty Two only) per fully paid-up equity share of face value of Rs. 10/- each is justified in terms of Regulation 20(5) of SEBI (SAST) Regulations, 1997 since the same has been determined after considering the following facts:

a.		Negotiated Price under the Acquisition	Rs. 32
b.		Highest Price paid by the Acquirers or PAC's for acquisition including Public or Rights Issue in 26 weeks preceding date of PA	Not applicable
c.		Highest average Price calculated as per Regulation 20(4) (c) during the 26 weeks preceding the date of PA	Not applicable
d.		Highest average Price calculated as per Regulation 20(4) (c) during the 2 weeks preceding the date of PA	Not applicable
e.		Other parameters	
	I	**Based on audited results as on March 31, 2010**	
	i.	Return on Networth (%)	7.78 %
	ii.	Book Value (Rs.)	Rs. 28.15
	iii.	Earnings per share (Rs. per equity share of face value of Rs. 10/- each)	Rs. 2.19
	iv.	Price to Earnings ratio with reference to offer price of Rs 32/-	14.61
	v.	Fair value per share of SESL considering the decision of Honourable Supreme Court of India in case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex Court has opined that the fair value of a Listed Company could be assessed based on weighted basis.**(Certificate for Fair Value of equity shares from Mr Ashok Kumar (Membership No: 073968), Proprietor of Ashok Maheshwari & Co., Chartered Accountants, Independent Chartered Accountants dated 07.07.2010)**	Rs. 18.57

3. INFORMATION ABOUT THE ACQUIRERS

3.1 Mr. Manoj Kumar Agarwal S/o Shri Santosh Kumar Agarwal, aged 38 years an Indian Resident residing at 53/07 Nayaganj, Kanpur 208001, is a Commerce Graduate. He has an experience of 8 yrs in business administration and management as he hold Directorship for 4 years in the packaging Industry and 3 years in the Financial Industry. Currently he is engaged in setting up of plants in packaging Industry.

3.2 Mrs. Deepa Mittal W/o Shri Arvind Kumar Mittal, aged 33 years an Indian Resident residing at 26/34, Birhana Road, Kanpur 208 001, has successfully completed 2nd Year of Bachelor of Arts. She has an experience of 6 years in the field of Finance and Investment Industry by way of holding directorship in the Companies.

3.3 Mr. Vishal Maheshwari (Membership No.076685), Proprietor of M/s Vishal Maheshwari & Company, Chartered Accountants, has certified and confirmed that the individual Net Worth of Mr. Manoj Kumar Agarwal and Mrs. Deepa Mittal as on June 30, 2010, is Rs. 47,39,081/- (Rupees Forty Seven Lacs Thirty Nine Thousand and Eighty One Only) and Rs. 97,78,463/- (Rupees Ninety Seven Lacs Seventy Eighty Thousand Four Hundred and Sixty Three Only) respectively and that the acquirers have sufficient liquid funds to meet the obligations under this Open Offer.

3.4 Both the acquirers are person acting in concert with each other for this open offer and the Acquirers are not related to each other.

3.5 The Acquirers have deposited Rs. 18.00 lacs in Escrow Account, which is more than 100 % of the amount required for this Open Offer.

4. INFORMATION ABOUT THE TARGET COMPANY

4.1 **Sulabh Engineers and Services Limited** was incorporated on April 27th, 1983 with the Registrar of Companies, Mumbai, Maharashtra, as a Limited Company in the name of Sulabh Engineers and Services Limited and got Certificate for Commencement of Business on June 4th, 1983. The Registered office of the Company at present is 185, Sheikh Memon Street, 3rd Floor, Mumbai – 400 002.

4.2 The Authorized Share Capital of the Company as on March 31, 2010 is Rs. 100.00 lacs (Rupees Hundred Lacs Only), comprising of 10,00,000 equity shares of Rs 10/- each. The total issued, subscribed and paid-up equity Share Capital as on March 31, 2010 is Rs. 24.75 lacs (Rupees Twenty Four Lacs Seventy Five Thousand only) comprising of 2,47,500 equity shares of Rs 10/- each fully paid up.

4.3 There are no outstanding warrant/ convertible securities and partly paid-up shares in the company.

4.4 SESL is an NBFC Company duly registered with RBI u/s 45-IA of the RBI Act, 1934 vide Certificate No: B-13.01780 at Mumbai on January 25, 2005 and is engaged in the business of finance, trading in shares & securities and investment.

4.5 The equity shares of the company are listed at BSE and UPSE.

4.6 The Company has not entered into an agreement with the depositories for dematerialization of the shares in demat form and all the equity shares of the Company are in physical mode.

4.7 Based on the latest audited accounts for the year ending March 31, 2010 the Company has Total Income of Rs. 7.20 Lacs, Profit after Tax (PAT) is Rs. 5.42 Lacs, Earning Per Share (EPS) is Rs. 2.19 per share and the Book Value is Rs.28.15 per share.

5. REASON FOR THE OFFER

5.1 The Open Offer to the public shareholders of SESL is for acquiring 20% of the total paid up equity share capital / voting capital. After completing the proposed Open Offer, the Acquirers will achieve Substantial Acquisition of equity shares and voting capital, accompanied with effective management control over the Target Company.

5.2 The Acquirers proposes to continue the existing line of business of the Target Company and may diversify its business activities in future with prior approval of shareholders. The main purpose of takeover is to expand the company's business activities in the same line.

5.3 The Acquirers at present have no intention to sell, dispose off or otherwise encumber any significant assets of SESL in the succeeding two years, except in the ordinary course of business of SESL. SESL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at its General Body Meeting.

6. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

6.1 To the best of knowledge and belief of the Acquirers, as of the date of this PA, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 27 of the Regulations.

6.2 No approvals are required from FIs/Banks for the Offer.

6.3 The Open Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the open offer.

6.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to the Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

7. OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21(2)

Pursuant to this Offer, the Public Shareholding in the Target Company will not fall below 25%, the level specified for continuous listing in the Listing Agreement with the Stock Exchanges as per clause 40A of the Listing Agreement.

8. FINANCIAL ARRANGEMENTS

8.1 The Acquirers have adequate resources to meet the financial requirements of the Open Offer. No borrowing from any Bank/ Financial Institution is being made for this purpose The Acquirers has made firm arrangement for the resources required to complete the Open Offer in accordance with the SEBI (SAST) Regulations, 1997.

8.2 Assuming full acceptance, the total requirement of funds for the Open Offer would be Rs. 15.84 lacs (Rupees Fifteen Lacs Eighty Four Thousand Only). The Acquirers have already made firm arrangements to implement the Open Offer in full. As per Regulation 28 of SEBI (SAST) Regulations, 1997, Acquirers have opened an Escrow Account with Oriental Bank Of Commerce, Thakur Village, Kandivali (E), Mumbai - 400101 and have deposited Rs. 18.00 lacs (Rupees Eighteen Lacs Only), being more than 100% of the amount required for the Open Offer.

8.3 The Acquirers have duly empowered M/s Chartered Capital and Investment Limited, the Manager to the Open Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997

8.4 The Manager to the Open Offer, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Open Offer obligations.

9. OTHER TERMS OF THE OFFER

9.1 The Offer is not subject to any minimum level of acceptances from shareholders.

9.2 A Letter of Offer (the "Letter of Offer" or "LOO") specifying the detailed terms and conditions of this Offer along with the Form of Acceptance cum Acknowledgement (the "Form of Acceptance") will be mailed to all the shareholders, except the Acquirers, of the Target Company whose names appear on the register of members of the Target Company at the close of business hours on **Friday, July 30, 2010** (the **"Specified Date"**). A copy of the Letter of Offer (including Form of Acceptance and Form of Withdrawal) will be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

9.3 All shareholders of the Target Company, except the Acquirers and parties to Agreement, who own the shares at any time before the Closure of the Open Offer, are eligible to participate in the Offer.

9.4 The Acquirers have appointed **M/s Skyline Financial Services Private Limited,** 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi- 110 065, Tel No: 011 26292680/82/83, Fax No:011- 26292681, Email: virenr@skylinerta.com as the Registrar to the Open Offer **("Registrar")**

9.5 Beneficial owners and shareholders who wish to avail of this offer, will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate and duly signed transfer deed and other documents as may be specified in the Letter of Offer to the Registrar to the offer at the address mentioned at Para 9.7 below, during the offer period either by Registered Post / Courier or by hand delivery during Mondays to Fridays between 10:30 am and 5:00 pm and on Saturdays between 10:30 am and 1:00 pm on or before the closure of the offer, **i.e. Monday, September 20, 2010.**

9.6 In case of (a) shareholders who have not received the Letter of Offer, (b) unregistered shareholders and (c) owner of the shares who have sent the shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with Target Company), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 pm upto the date of Closure of the Offer **i.e. Monday, September 20, 2010.** Such shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing.

9.7 The following collection centre would be accepting the documents as specified above:-

Name & Address of Registrar to Offer	Skyline Financial Services Private Limited 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi- 110 065
Contact Person	Mr. Virender Rana
Phone Nos.	011-26292680/82/83
Fax No	011- 26292681
E-mail	virenr@skylinerta.com

9.8 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the Letter of Offer, so as to reach the Registrar to the Offer upto three working days prior to the date of Closure of the Offer, i.e. **Wednesday, September 15, 2010.** The withdrawal can also be exercised by submitting an application on a plain paper, along with the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

9.9 The Letter of Offer along with the Form of Acceptance cum acknowledgement and Form of withdrawal would also be available at SEBI's website, *www.sebi.gov.in* and shareholders can also apply by downloading such forms from the website.

9.10 No indemnity is required from unregistered shareholders.

9.11 Equity Shares tendered by the shareholders of SESL in the offer are free from lien, charges and encumbrances of any kind whatsoever.

9.12 Applications in respect of shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these shares are not received together with the shares tendered under the Offer.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of SESL is 50 Equity Shares.

10.2 Shareholders who have offered their shares would be informed about acceptance or rejection of the Offer within 15 days from the date of Closure of the Offer. The payment to the shareholders whose shares have been accepted will be paid within 15 days from the date of Closure of the Offer :-

a) In the case of shareholders residing in any of the centres specified by the SEBI and who have opted an option to get payment consideration through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India, they should provide all the necessary Bank details including MICR code or RTGS code or IFSC code in Form of Acceptance cum Acknowledgement and the payment intimation will be sent to the sole/first named shareholders of SESL whose equity shares are accepted by the Acquirers at his address registered with SESL.

b) In the case of shareholders not residing in the centres specified by the SEBI or who have not opted the payment consideration through electronic transfer of funds or the whose information for electronic transfer of funds is incorrect, the payment consideration will be by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder first named shareholder of SESL and sent by registered post at the address registered with SESL.

10.3 In case of acceptance on a proportionate basis, the unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/ unregistered owners' sole risk to the sole / first shareholder.

10.4 The Registrar to the Offer will hold in trust the shares / share certificates, Form of Acceptance cum Acknowledgement and Form of withdrawal, if any, and the transfer form(s) on behalf of the shareholders of SESL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

11. SCHEDULE OF THE ACTIVITIES PERTAINING TO THE OFFER

ACTIVITY	DAY AND DATE
Specified Date (For the purpose of determining the names of shareholders to whom Letter of Offer to be sent)	Friday, July 30, 2010
Last Date for a Competitive Bid	Friday, July 30, 2010
Date by which Letter of Offer will be dispatched to the Shareholders	Friday, August 20, 2010
Offer Opening Date	**Wednesday, September 1, 2010**
Last date for revising the offer price/number of shares	Thursday, September 9, 2010
Last date for withdrawal by Shareholders	Wednesday, September 15, 2010
Offer Closing Date	**Monday, September 20, 2010**
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	Tuesday, October 05, 2010

12. GENERAL CONDITIONS

12.1 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. **Wednesday, September 15, 2010.** The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. **Wednesday, September 15, 2010.**

12.2 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

12.2.1. In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares

12.3 The withdrawal of Shares will be available only for the Share Certificates / Shares that have been received by the Registrar to the Offer

12.4 The intimation of returned shares to the Shareholders will be sent at the address as per the records of Target Company.

12.5 If there is any upward revision in the Offer Price (in terms of Regulation 26) by the Acquirers till the last day of revision, viz., at any time upto seven working days prior to the date of Closure of the Offer i.e. **Thursday, September 9, 2010,** the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised offer price would be payable to all the shareholders who tender their shares in the Offer.

12.6 **"If there is competitive bid:**

12.6.1 The public offers under all the subsisting bids shall close on the same date.

12.6.2 As the offer price cannot be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly"

12.7 Based on the information available from the Acquirers and the Target Company, they have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

12.8 Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirers have appointed **M/s Chartered Capital And Investment Limited** as Manager to the Offer and **M/s Skyline Financial Services Private Limited** as Registrar to the offer.

12.9 The Acquirers does not hold any shares of the Target Company as on the date of this PA except as mentioned in paragraph 1.2 above.

12.10 **This Pubic Announcement would also be available at SEBI's website, www.sebi.gov.in**

12.11 **This Public Announcement is being issued on behalf of the Acquirers i.e. Mr. Manoj Kumar Agarwal & Mrs. Deepa Mittal and by the Manager to the Offer i.e. M/s Chartered Capital and Investment Limited.**

12.12 **The Acquirers, Mr. Manoj Kumar Agarwal and Mrs. Deepa Mittal, accepts full responsibility for the information contained in this PA (except for the information regarding the Target Company which has been compiled from the publicly available information) and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.**

MANAGER TO THE OFFER

CHARTERED CAPITAL AND INVESTMENT LIMITED

Contact Person: Ms. Swati Agrawal

26, Kamdar Shopping Centre, 2nd Floor, Opp. Railway Station, Vile Parle (E), Mumbai-400 057

Tel No.: 022- 26121742; Fax No.: 022 - 26121743

Email: mumbai@charteredcapital.net

PLACE : Mumbai **DATE :** July 8, 2010