

# **SURBHI**



## **30<sup>th</sup> Annual Report 2021-22**

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### **SURBHI INDUSTRIES LIMITED**

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**Regd. Office: "Surbhi House", 2nd Floor, FP NO 206, B/h Old Sub Jail, Ring Road, Khatodara Surat - 395002  
CIN: L17110GJ1992PLC017672**

### **IMPORTANT COMMUNICATION TO MEMBERS**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

## **SURBHI INDUSTRIES LIMITED**

<b>Board of Directors</b>	<ol style="list-style-type: none"><li>1. Shri Bipinbhai J. Patel - Chairman (WTD) &amp; CFO</li><li>2. Shri Ravjibhai P. Patel - Managing Director/CEO</li><li>3. Shri Satish Narandas Patel - Independent Director</li><li>4. Smt Sheetal Harsh Patel - Independent Woman Director</li></ol>
<b>Company Secretary</b>	Hetalben Arvindbhai Joshi
<b>Auditors:</b>	M/s. GHAEEL CHOKSI & CO. Chartered Accountant 103, Jash Infinity, Consilium Tax Management Services Pvt. Ltd. Bh. Old Sub Jail, Khatodara, Surat - 395002
<b>Bankers:</b>	Bank of Baroda MSME Sahara darwaja Branch, Surana International Building, Saharagate, Ring Road, Surat.
<b>Email id</b>	info@surbhi.com
<b>Regd. Office</b>	"Surbhi House", 2nd Floor, FP NO 206, B/h Old Sub Jail, Ring Road, Khatodara Surat - 395002
<b>Plant:</b>	Plot No. 249/1-3, 248/8-9-10, Village: Karanj, Ta. Mandvi, Dist. Surat

**SURBHI INDUSTRIES LIMITED**  
**CIN: L17110GJ1992PLC017672**  
**NOTICE OF THE ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 30<sup>th</sup> Thirtieth Annual General Meeting of the Members of Surbhi Industries Limited will be held on Friday the 30<sup>th</sup> day of September 2022 at 10.00 A.M. IST through video conferencing ("VC") other audio visual means ("OAVM") (hereinafter referred to as "electronic AGM" / "e-AGM") to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Mr. Bipinbhai Jasmatbhai Patel (DIN 00023447), who retires by rotation and being eligible, he offers himself for re-appointment.

**Registered Office:**

"Surbhi House", 2<sup>nd</sup> Floor, FP NO 206,  
B/h Old Sub Jail, Ring Road,  
Khatodara Surat - 395002

**By order of the Board**

**Date: 03/09/2022**  
**Place: Surat**

Sd/-  
**Bipinbhai Patel**  
(DIN: 00023447)  
**Chairman**

**NOTES:**

In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 30<sup>th</sup> AGM of the Company is being convened and conducted through VC, details of circulars are given herein below at SHAREHOLDER INSTRUCTIONS FOR E-VOTING

1. Pursuant to provisions of the Companies Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, the requirements of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form is not annexed hereto.
2. As the AGM will be held through VC/OAVM, the route map of the venue of the Meeting and attendance slip is not annexed hereto.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
4. The Register of Members and Share Transfer Books of the Company will remain close from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)
5. All documents referred to in the above Notice and the accompanying Explanatory Statements are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the preceding date of Annual General Meeting.
6. A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least 7 days prior to the Meeting so that the required information can be made available at the Meeting.
7. In compliance with the regulatory provisions, the Annual Report of the Company for FY 2022 along with the AGM Notice has been sent electronically only to those shareholders who have registered their e-mail addresses with their DPs/ RTA/ the Company. The same is also hosted on the Company's website [www.surbhi.com](http://www.surbhi.com) and also on the website of the [www.bseindia.com](http://www.bseindia.com). The relevant details are also hosted on the website of the remote e-voting service provider viz. [www.evotingindia.com](http://www.evotingindia.com).
8. Members are requested to intimate if shares are held in the same name or in the same order and names, but in more than one account to enable the company to club said accounts into one account.
9. In order to comply with Ministry of Corporate Affairs circular on "Green Initiative in the Corporate Governance" members are requested to intimate their email address to the company.
10. Trading/Transfer in shares of the Company shall compulsorily be done in Dematerialization from only w.e.f. 1st April, 2019 Pursuant to SEBI press Release No. 12/2019 dated 27th March, 2019, SEBI had clarified that the investors may continue to

hold such shares in physical form even after the 1st April, 2019 subject to condition that investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized. The shareholders/members of the company, who are having equity shares in physical form, are advised to get dematerialized of their equity shares by way of surrendering to their physical share certificates to the Registrar and Transfer Agents (RTA) of the company (i.e. Bigshare Services Pvt. Ltd) through their respective Depository Participants.

11. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD/RTAMB/P/CIR/2021/655 dated 3rd November, 2021, The Company through its Registrar and Transfer Agent i.e. Bigshare India Pvt. Ltd has sent individual letters to all the members holding shares of the company in physical form for furnishing their PAN, KYC Details and bank details in form ISR-1. Further it is stated that folios wherein any one of the cited document/details including linking of PAN with Aadhar are not furnished or made available on or after 1st April, 2023, the relevant folio(s) shall be frozen by the RTA of the company. After 31st December, 2025, the frozen folios shall be referred by the RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. The Requisite forms are available on the website of the company under the 'Investor Info' tab. Members are requested to get in touch with RTA in this regard.
12. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated all listed companies to issue securities in demat form only while processing service request viz. issue of duplicate securities certificate; claim from unclaimed suspense account; Renewal/Exchange of securities certificates; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly members are requested to make service request by submitting a duly filled and signed form ISR-4, the format of which is available on the website of the company. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all request for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and eliminate all risk associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA for further assistance in this regard.
13. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No.2 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment/re-appointment as Director under Item No. 2 of the Notice, are also annexed.
14. In compliance with the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are being provided with the facility to cast their vote electronically, through the e-voting services provided by [www.evotingindia.com](http://www.evotingindia.com) on all the resolutions set forth in this Notice. The e-voting period commences on Tuesday, 27<sup>th</sup> September, 2022 at 10:00 AM (IST) and ends on Thursday, 29<sup>th</sup> September, 2022 at 05:00 PM (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 23, 2022 (cutoff date), may cast their vote electronically. Thereafter the e-voting module shall be disabled. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.
15. Voting through Electronics Means- A detailed instructions and related write ups, on Electronic Voting Process, which forms part of this notice.
16. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.surbhi.com](http://www.surbhi.com) and on the website of [www.evotingindia.com](http://www.evotingindia.com) within two days of passing of the resolutions at the 30<sup>th</sup> Annual General Meeting of the Company and communicated to the BSE Limited and, where the shares of the Company are listed.
17. Members are requested to quote Folio number/DPid in all their correspondences.
18. Members are requested to inform the company immediately the changes, if any, in their address specifying full address in Block Capital with Pin code of the post office.
19. Company has designated email id: of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints by investors. Investors are requested to send their communication on designated email id: [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com)
20. Members are requested to bring their copy of Annual report of the meeting as the same shall not be circulated thereat.
21. Members are requested to updated their PAN no and bank details with RTA.
22. EVSN No. 220902047
23. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com)

24. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. In case of members holding shares in physical mode are requested to register / update their email id by writing to the Company at grdsurbhi@gmail.com providing their folio no. and scanned self attested copy of PAN card and self attested copy of any document such as Aadhaar Card, Passport, Driving Licence, Election identity Card, etc. in support of the registered address of the member. In case of members holding shares in demat mode, members are requested to register / update their email id with the relevant depository participant.

### SHAREHOLDER INSTRUCTIONS FOR E-VOTING

#### CDSL e-Voting System - For Remote e-voting and e-voting during AGM/EGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. 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 EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/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 EGM/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 EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.surbhi.com](http://www.surbhi.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021 and 2022 to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021 and General Circular No 2/2022 date 05.05.2022 and any other applicable circulars.

#### THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Tuesday, 27<sup>th</sup> September, 2022 at 10:00 A.M. (IST) and ends on Thursday, 29<sup>th</sup> September, 2022 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) of 23.09.2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDEAS" Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free number 1800225533
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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to contact RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant SURBHI INDUSTRIES LIMITED on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Facility for Non - Individual Shareholders and Custodians -Remote Voting**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [GRDSURBHI@GMAIL.COM](mailto:GRDSURBHI@GMAIL.COM), 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 is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/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 **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 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, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 22 55 33.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

Item No. 2

Brief resume of appointee

Mr. Bipinbhai Jasmatbhai Patel (DIN: 00023447) Whole-time Director is also the founder of our Company, he has served our company for more than 20 years. His zeal and dedication towards work has helped the company to achieve greater heights. Our company needs his foresight and knowledge for future development.

The details of Mr. Bipinbhai Jasmatbhai Patel in pursuance of the Listing Agreement are mentioned hereunder:

<b>Name of Director</b>	Mr. Bipinbhai Jasmatbhai Patel
<b>Date of Birth</b>	14th March 1970
<b>Date of Appointment</b>	21st May 1992
<b>Qualification</b>	Diploma Mechanical Engineer
<b>Expertise in specific functional areas</b>	Production Market development, Public Relation
<b>List of Companies in which directorship is held as on</b>	N. A.
<b>Chairman / Member of the committee</b>	2
<b>Terms and Conditions of Re-appointment</b>	As per the resolution at Item No. 2 of the Notice convening this Meeting read with explanatory statement thereto
<b>Remuneration last drawn (including sitting fees, if any)</b>	Rs. 27.18 Lakh for FY. 2021-22 drawn as WTD of the company.
<b>Remuneration proposed to be paid</b>	As per his original terms of appointment
<b>No. of Board Meetings attended during the year (out of * held)</b>	12/13
<b>Shareholding of the Director in the Company</b>	119000 Equity shares of Face Value of Rs. 10 each (3.46%)
<b>Relationship with other Directors / Key Managerial Personnel</b>	Relative of Mr. Ravjibhai Patel Managing Director

As required under Companies Act, 2013 approval of members of the company is being sought for the reappointment of Mr. Bipinbhai Jasmatbhai Patel as Whole Time Director of the company.

The Board of Director on recommendation of Nomination and Remuneration Committee recommends the relevant resolutions for your consideration and approval as an Ordinary Resolution.

None of the other Directors, Key Managerial Personnel or their relatives other than of Mr. Bipinbhai Jasmatbhai Patel being appointee and Mr. Ravjibhai P. Patel being relative of appointee, are concerned or interested in the resolution.

**Registered Office:**  
"SurbhiHouse", 2<sup>nd</sup> Floor, FP NO 206,  
B/h Old Sub Jail, Ring Road,  
Khatodara Surat - 395002

**Date:** 03/09/2022  
**Place:** Surat

**By order of the Board**  
sd/-  
**Bipinbhai Patel**  
(DIN: 00023447)  
**Chairman**

**SURBHI INDUSTRIES LIMITED****DIRECTOR'S REPORT**

To,  
Dear Shareholders,

The Directors of your Company have pleasure in submitting their Twenty Ninth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2022.

**FINANCIAL HIGHLIGHTS**

Particulars	Year ended 31 <sup>st</sup> March 2022	Year ended 31 <sup>st</sup> March 2021
Total Revenue	2,97,019,739	1,90,485,556
<b>Profit/(Loss) before taxation</b>	<b>19,426,290</b>	<b>23,588,681</b>
Less: Current Tax	69,28,736	72,59,558
Deferred Tax	13,68,915	8,17,416
Income Tax earlier years	0	0
<b>Profit For The Year</b>	<b>11128639</b>	<b>15511707</b>
Less: Income Tax Items not classified in Profit and Loss accounts	159645	3719
Total Comprehensive Income for the period	<b>11288284</b>	<b>15515426</b>
<b>Less: Appropriation</b>	<b>0</b>	<b>0</b>
Adjustment relating to ITEMS not classified in P and L account	0	0
Transferred to General Reserve	0	0
<b>Closing Balance of Profit and Loss Accounts</b>	<b>133317385</b>	<b>122029101</b>

During the year under review, the company had total revenue of Rs. 29.70 crores against the previous year total revenue of Rs. 19.04 Cores which shows approximately 55.99% increase in comparison with the previous year. This is mainly due to impact of COVID-19. The company had occurred profit after tax of Rs. 112.88Lakh during the year compared to previous year's profit of Rs. 155.117 Lakh profit slipped to 27.24 % mainly due to higher inventory cost, finance cost and depreciation cost. Overall market was on improving mode for the textile industry during the year 2021-22. Company able to maintain reasonable profit and net profit ratio slipped to 4.34% and gross margin slipped to 5.84% mainly due to increase in higher inventory cost and financial cost during the year. However, company intend to reach to normal working condition even after impact of COVID.

Due to COVID-19 market conditions are badly impacted and overall textile market for current financial year 2021-22 first two quarters are deeply impacted on labour/workforce, raw material, transportation and individual as well as commercial demands are heavily impacted. Even after market conditions returning to normalcy, first quarter of financial year 2021-22 was also impacted due to second wave of COVID. Company expect to normalise the market by the during the year unless any foreseen event/third wave of COVID occurred.

**STATE OF THE COMPANY'S AFFAIRS:**

It is also pertinent to highlight that COVID 19 pandemic has resulted in disruption in regular business operation once again after second wave of COVID 19. However, the Company has adopted measures to ensure business continuity with minimal disruption and the business is expected to return to normal.

**DIVIDEND**

In view of requirement of financial resources and considering the future requirements of funds, your Directors are unable to recommend any Dividend for the year ended 31<sup>st</sup> March 2022.

**TRANSFER TO RESERVES**

No amount has been transferred to any Reserve/s Account during the year under review.

**ANNUAL RETURN**

Pursuant Section92 (3) Annual Return will be available on following web link:  
<https://www.surbhi.com/pdf/annual-reports/Annual-Return-Form-MGT-7-31.03.2022.pdf>

Company will upload the Annual Return as per the provisions of the Company's Act 2013.

**BUSINESS**

COVID -19 has effected overall business environment, local as well as international market adversely effected. Efforts are being made to assess the situation and to provide better result than earlier years. In view of the increased activities, expansions and programs to grab the emerging opportunities are under hold and after re-assessment of the same further business expansion activities will be done.

In Current Financial Year 2021-22, the effect of COVID-19 is less compared to Previous Financial Year 2020-21 on your company Business. There is an adverse effect in First Quarter due to Third wave of COVID-19 on our Business. After First and Second quarter the company has take his speed towards their operation for future expansion of Company and turnout into a rapid growth as compared to previous financial year result.

**CHANGE IN THE AUTHORISED, ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL DETAILS: THE INCREASE / DECREASE DURING THE YEAR UNDER REVIEW:**

The Authorised Share Capital of the Company is Rs. 5,00,00,000 divided into 50,00,000 (Fifty Lakh) Equity Share of Rs. 10 Each. The Issued, Subscribed and Paid up Share capital of the Company is Rs, 3,43,74,000 divided into 34,37,400(Thirty Four Lakh Thirty Seven thousand four hundred) of Rs. 10 each. During the year there is no Increase/decrease in Authorised share capital as well as paid up share capital of the company.

**TRANSFER OF UNCLAIMED DIVIDEND/SHARES TO INVESTOR EDUCATION AND PROTECTION FUND – IF ANY:**

There is no amount transferred to IEPF during the year under review.

**DETAILS ABOUT SUBSIDIARY COMPANIES**

There is no subsidiary company of the company during the year under review.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Name of Director	DIN	Designation	Date of Appointment/ Resignation
RAVJIBHAI PARBATBHAI PATEL	00023332	Managing Director	21/05/1992
BIPINBHAI JASMATBHAI PATEL	00023447	Whole time Director & CFO	21/05/1992
SHEETAL HARSH PATEL	06858676	Director	30/06/2018
SATISH NARANDAS PATEL	08168748	Director	30/06/2018
HETALBEN ARVINDBHAI JOSHI	ATMPJ4541N	Company Secretary	01/04/2016

**DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**INSURANCE**

All the properties and the insurable interest of the company including building, plants and machinery and stocks wherever necessary and to the extent required have been adequately insured.

**AUDITORS**

M/S GHAEL CHOKSI & COMPANY (Firm Registration No. 0153978W from the conclusion of 29th Annual General Meeting to conclusion of 34th Annual General Meeting on such remuneration as may be agreed upon by the Audit Committee/Board of Directors in consultation with the Statutory Auditors.

Provision of Company (Amendment) Act 2017 become effective from 7th May 2018 and thus Board has noted the appointment of auditor made for the period from the conclusion of 29<sup>th</sup> Annual General Meeting to Conclusion of 34<sup>th</sup> Annual General Meeting and hence there is no change in auditor formal resolution for ratification is not mentioned in the notice.

M/s Tamakuwala & Associates, Chartered Accountants (FRN 143306W) were appointed as Internal Auditor of the Company.

**AUDITORS' REPORT**

In the opinion of the directors, the notes to the accounts are self-explanatory and adequately explained the matters, which are dealt with by the auditors. There is no adverse remarks in the report and hence nothing to report thereon.

**Details in respect of frauds reported by auditors under sub-section (12) of [section 143](#) other than those which are reportable to the Central Government:**

There was no fraud reported by Auditor during the financial year 2021-2022.

**Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made:**

There is no additional qualification, reservation or adverse remark given by statutory Auditor or Secretarial Auditor in their report hence there is no requirement to give comments by Board.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
2. That such accounting policies have been selected and applied 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 at the end of the financial year ended on 31<sup>st</sup> March 2022 and of the Profit & Loss of the Company for that period.

3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts have been prepared on a going concern basis
5. That internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively.
6. That proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **RISK MANAGEMENT**

A detail of risk management committee is given under the Corporate Governance report, which is forming part of this report.

#### **VIGIL MECHANISM**

Company has appropriate VIGIL Mechanism/whistle blower policy for directors and employees to report genuine concerns. It shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

#### **NUMBER OF MEETINGS OF THE BOARD & COMMITTEES**

For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the corporate governance report, which is forming part of the directors' report.

#### **DECLARATION OF INDEPENDENT DIRECTORS:**

Pursuant to the provisions of Section 149 of the Act, which came into effect from April 1, 2014, Mr. SATISH NARANDAS PATEL (DIN: 08168748), Mrs. SHEETAL HARSH PATEL (DIN: 06858676) submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### **SECRETARIAL AUDIT AND OBSERVATIONS**

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed, Kishor S. Dudhatra, Practicing Company Secretaries to undertake the Secretarial Audit of the Company.

Report of the secretarial auditor will be given as an Annexure-A2 which forms part of this report. There is no adverse remark on the Secretarial Audit report and other details are self-explanatory.

#### **SECRETARIAL STANDARD:**

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The loans if any, made by the Company are within the limits prescribed u/s 186 of the Companies Act, 2013 and no guarantee or security is provided by the company.

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### **TRANSACTIONS WITH RELATED PARTIES**

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies(Accounts) Rules, 2014 are given in Annexure A1 in Form AOC-2 and the same forms part of this report.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **CONSERVATION OF ENERGY:**

Company's knitting and twisting plants are running with electricity which is supplied by the Dakshin Gujarat Vij Company Limited. The plants are periodically checked as a measure of periodical maintenance to minimal break down and energy conservation. However, company's production facilities do not offer much scope for energy conservation.

- a) **Steps taken or Impact on conservation of energy:** Company has installed wind mills to conserve the natural resources and to promote green energy.

During the year total 9.30 lakh units were generated through wind mill and credit of these units were given by DGVCL against its electricity consumption by the unit.

- b) **Steps taken by the company for utilizing alternate source of energy:** Company is using wind energy as alternate source of energy and the electricity generated by the wind mill was given as credit in the electricity bills raised by the DGVCL.
- c) **Capital investment on energy conservation equipment:** Company has made investment in wind mill only and planning to set up solar power generation.

**A. Power and Fuel Consumption:**

Sr.	Particulars	2021-22	2020-21
<b>1</b>	<b>Electricity</b>		
<b>(a.)</b>	Purchased		
	Total Units (In lacs kw)	29.68	20.34
	Total Amount (In lacs Rs.)	215.18	141.88
	Rate / unit (In Rs.)	7.25	6.99
<b>(b)</b>	Own Generation		
	Wind Mill ( units in lacs ) (Credit was given in Electric Bill of Rs 63.73 lacs which amounts to Rs. 6.85 per unit)	9.30	6.29
<b>2</b>	<b>Diesel</b>	N.a.	N.a.
<b>3</b>	<b>Furnace Oil</b>	N.a.	N.a.
<b>4</b>	<b>Others</b>	N.a.	N.a.

**Technology absorption**

The Company's plant is running satisfactorily. No other technology is involved in Company's facility other than windmill power generation. No amount was used in research & development

**Foreign exchange inflow / out flow**

	Year 2021-22	Year 2020-21
Foreign Exchange inflow	Nil	Nil
Foreign Exchange outflow	Nil	Nil

**CORPORATE SOCIAL RESPONSIBILITY:**

Our company does not fall under the purview of Section 135 of companies Act, 2013. Hence no Corporate Social Responsibility initiatives have been taken during the year. However, company do carry on CSR activities on its own as and when deemed fit.

**BOARD EVALUATION**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

The details in respect of internal financial control and their adequacy are included in the management discussion & analysis, which forms part of this report.

**PROCEEDING PENDING UNDER IBC CODE, 2016 AND DIFFERENCE IN VALUATION AS PER RULE 8(5)(XI) & (XII) OF COMPANIES (ACCOUNTS) RULES, 2014:**

No application or any proceeding is pending under IBC code, 2016. The company has never made any One Time Settlement against the loans obtained from Banks etc and hence the said clause is not applicable.

**CORPORATE GOVERNANCE**

As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company is not required to comply with the provisions of Regulations 17 to 27 and Clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V respectively, but for better governance, the Company had voluntarily complied the same to the extent possible.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report of the Corporate Governance and the Certificate of the Auditors of the Company in respect of compliance thereof is not applicable to company.

**COST AUDIT:**

Applicable provisions of Cost Audit compliance, if any, were dealt separately. During the year under review cost audit was not applicable to company and pursuant to Section 148 (1) company had maintained the applicable cost records.

**LISITNG**

At present your Company's securities are listed on the BSE Limited and scrip code of company is 514260.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year\*:**

Executive directors/ Non-executive director	Ratio to median
Ravjibhai Parbatbhai Patel	17.64 :1
Bipinbhai Jasmatbhai Patel	13.32 :1

Note: Generally more than 85% of employees are of daily wage earner or of blue collar workers and hence statistical date of median remuneration are not comparable in this type of industries.

- b. **The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year \***

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Ravjibhai Parbatbhai Patel	10%
Bipinbhai Jasmatbhai Patel	10%
Hetal Joshi ( CS)	0%

- c. **The percentage increase in the median remuneration of employees in the financial year\*- approx. 10. %**

\* Company operates in the field of textile where in most of the employees are on daily wages basis most of them are of operator, helper and cleaner category and due to high attrition and irregular presence the salary of average employees are around approximate Rs. 350-500 per day. In our case comparison of median salary of employee and KMP is not comparable.

- d. **The number of permanent employees on the rolls of Company-**

92 employees.

- e. **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 and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

\* Company operates in the field of textile where in most of the employees are on daily wages basis most of them are of operator, helper and cleaner category and due to high attrition and irregular presence the salary of average employees are around approximate Rs. 350-500 per day. In our case comparison of percentile increase already made in salary of employee and KMP is not comparable.

- f. **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Directors of Company affirms remuneration is as per the remuneration policy of the Company.

**There is no employee appointed in the company for which Information required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is required to be provided.**

**TAXES:**

Company is regularly paying Income tax, Goods and Services Tax, Sales Tax, and other statutory dues like Provident Fund, ESIC, as

applicable. As regard to applicable Taxes appropriate provision and treatments have been made as per law. Details of the payment refund and appeals and disputed amount, if any, have been adequately provided in audit report and the same are self-explanatory and the amount of dispute is being dealt with various authorities and awaiting for final outcome.

#### **INDUSTRIAL RELATIONS**

Your Company's relations with its employees remained cordial throughout the year. The Directors wish to place on record their deep appreciation for the services rendered by staff members and executives of the company. Your company has taken adequate steps for the health and safety of its employees.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

#### **MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY**

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate, i.e. 31<sup>st</sup> March, 2022 and the date of Board Report. Company is assessing impact of COVID in the textile industry and the same is seen as major challenges to the industry. First Quarters of the year 2021-22 was heavily impacted and second quarter show some sign of recovery in market. Now, the Economy had took recovery since third quarter of F.Y. 2021-2022 and Company will contribute towards the Economy of the Nation now onwards. However, company expects to normalize the market condition by end of fourth quarter unless contrary event occurred.

**Registered Office:**  
"Surbhi House",  
2nd Floor, FP NO 206,  
B/h Old Sub Jail, Ring Road,  
Khatodara Surat - 395002

**Date:** 03.09.2022  
**Place:** Surat

**For and on behalf of the Board of Directors of  
Surbhi Industries Ltd**

**Sd/-  
Bipinbhai Patel  
Chairman  
DIN: 00023447**

## MANAGEMENT DISCUSSION AND ANALYSIS:

### 1. Management discussion:-

#### i. INDUSTRY STRUCTURE AND DEVELOPMENTS.

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13-15 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the un-organised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

Situation in textile industry is more challenging as the considerable down turn in demand and labor problems, due to COVID-19 situation most of the man power is not available and scarcity of raw material is also matter of concern. China, Bangladesh and Vietnam playing dominant role in textile segment. For this year supply chain was mainly affected.

#### ii. OPPORTUNITIES AND THREATS:

Post COVID situation various countries have shown their concern over the Chinese products, further USA has issued sanctions in certain part of Chinese area product. This scenario if continue will provide tremendous opportunity in future to Indian Textile Sector.

The Indian cotton textile industry is expected to showcase a higher growth in FY 2022-23 as compared to FY 2021-22, supported by stable input prices, healthy capacity utilization and steady domestic demand. Unless the COVID-19 pandemic situation arisen Indian textile sector was on the road map to success.

Government is providing various incentives under TUFs. Further, the government approved the Production-Linked Incentive (PLI) Scheme for Textiles - focusing on manmade fiber (MMF) apparel, MMF fabrics, and products of technical textiles to enhance India's manufacturing capabilities and exports The Customers also growing rapidly. At the same time, there is intense price pressure from the competitors and international financial crisis. Major threat is from international market and mainly from china. GST will impact most to the textile industry as the same is in most unorganized sector and implementation of GST will be seen as game changer to this industry.

However, international slow-down may have adverse impact on the growth the textile industry. World-wide people are showing their concerns on Chinese products and China being one of the dominant player in textile sector, over a period of time rest of the world may attracted to towards India, Bangladesh and Vietnam.

#### iii. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Company is having only one segment and that is textile company's main products are yarn and grey falling in one category thus segment wise reporting is not given as the same is evident from financial figures.

#### iv. OUTLOOK

Outlook of India Textile industry will be on growth mode particularly in India people are showing their reservation against Chinese products. Particularly Atma-Nirbhar Bharat Policy promoted by Government of India will have much positive effect to overcome COVID-19 adverse effect. For the time being industry on the hold mode as most of the places textile markets are closed or working with very less capacity that actual. Over all textile Industry will be on growth mode.

#### v. RISKS AND CONCERNS:

After third wave of COVID industrial slow down and change in market purchasing pattern Indian Textile Industry witness setback and down trade. Major fluctuations Rupee v/s dollar price corresponding to fluctuation in the raw material price and stringent market conditions can affect the company's performance. Goods and Service Tax Act will have major impact on the industry and the same cannot be assessed at this point of time. COVID-19 situation may also increase in various demand of industrial products. Overall supply chain is affected internationally, that may pose a sincere concern for the entire economy.

#### vi. INTERNAL CONTROL SYSTEM:

The Company has an adequate internal audit system commensurate with its size and the nature of its business towards achieving efficiency in the operation, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws.

#### vii. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

Financial performance for the year 2021-22 has been improved and revenue of the company increased from Rs. 1,90,485,556 to Rs. 2,97,019,739 i.e approx. 55.93 % increase from previous year revenue. Operational margins of company were improved as compare to previous year. In future company expected to provide better financial performance.

#### viii. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.



Textile segment mainly depend on labour and workmen, company always try to conserve the workforce. Training to work men and skill improvement programs were held periodically to improve the productivity. Details of employee are given above at 'PARTICULARS OF EMPLOYEES' hence not reproduce here.

Employee's relations continue to be cordial. Training and development activities are identified, organizes and progress monitored as part of human resource development activities.

**ix. DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING**

During the previous year 2020-21 company reported profit of Rs. 15511707 and during the current financial year 2021-22 company attain profit after tax of Rs. 11128639. Most of the financial ratios are not comparable to previous year but major improvement shown to Inventory turnover ratio, Debt coverage ratio, Operating Profit margin, Net Profit margin. Main reason to improve margins is higher utilisation of resource and increase in net revenue and decrease in financial cost and depreciation cost. Company had made net profit of Rs. 11128639 and that is the main reason to increase in the net worth of the company. Following are the details of ratios:

<b>PARTICULAS</b>	<b>YEAR ENDED 31.03.2022</b>	<b>YEAR ENDED 31.03.2021</b>
Debtors Turnover Ratio	5:54	2:90
Inventory Turnover Ratio	11:70	11:60
Interest Coverage Ratio	3:21	6:22
Current Ratio	3:18	2:66
Debt Equity Ratio	3:43	0.25
Operating Profit Margin Ratio	9:51	13:46
Net Profit Margin Ratio	3:89	8.60
Return on Net worth Ratio	3:95	3:62

During the year over review debtor turn over increase to 5.54 which shows strong improvement against previous year, which is also indicative from inventory turnover ratio which shows that business conditions are improving. Interest coverage decrease to 3.21 as compare to previous year because of increase in borrowing higher interest will be charge and the same resulted to decrease in the ratio. Current ratio improved to 3.18 because of higher debtors turnover and internal accruals. Debt Equity ratio increase to 3.43 is mainly because of borrowing made during the year which was utilise in purchase of plant and machinery. Operating profit margin reduce as compare to previous year was mainly due to borrowing was made and that resulted in to increase in higher interest cost. Net profit margin was impacted due to higher financial cost and depreciation cost.

**x. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof. :**

Return on Net worth has increased during the year to 3.95 to 3.62 as compared to previous year due to increase in year on year profit and higher Inventory turnover and fast debtors recovery.

**2. DISCLOSURE OF ACCOUNTING TREATMENT**

Appropriate accounting standards were followed in preparation of annual accounts, there is no treatment different from that prescribed in Accounting Standard.

**INITIATIVES**

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. The initiatives are being taken by the Company too, for improving the quality standards and reduction of costs at appropriate level. New machineries are imported to provide better result and to cope up with changing requirement of the industry. The employees at all levels are being made aware of the changing conditions and the challenges of the open market conditions and to train the personnel to tackle the difficult situations which will improve the overall productivity, profitability.

**ANTI SEXUAL HARASSMENT POLICY**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding. All employees are covered under this policy. There were no complaints or cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**CAUTIONARY STATEMENT**

Statements in the Directors' Report & Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statements. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include cyclical demand, changes in government regulations, tax regimes, economic development and other ancillary factors.

**ACKNOWLEDGMENT:**

The Directors sincerely express their appreciation to the employees at all levels, Bankers, customers, investors, Government of Gujarat and Ministry of Government for their sustained support and co-operation and hope that the same will continue in future.

Your Directors also wish to place on record their deep appreciation for the dedication and hard work put by the employees at all levels towards the growth of the Company. Last but not the least, the Board of Directors wish to thank the Investor/ Shareholders for their support, co-operation and faith in the Company.

**Registered Office:**  
"Surbhi House",  
2nd Floor, FP NO 206,  
B/h Old Sub Jail, Ring Road,  
Khatodara Surat - 395002

**For and on behalf of the Board of Directors of  
Surbhi Industries Ltd**

Sd/-  
Bipinbhai Patel  
Chairman  
DIN: 00023447

Date: 03.09.2022  
Place: Surat

**Whole-time Director / CFO Certification  
Regulation 17(8) of SEBI LODR**

To  
The Board of Directors,  
Surbhi Industries Limited, Surat

We, Bipinbhai J. Patel - Whole-time Director (CFO) and Ravjibhai P. Patel - Managing Director (CEO) Surbhi Industries Limited hereby certify that:

- a) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2022 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee that;
- i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Bipinbhai Jasmatbhai Patel**  
Whole-time Director (CFO)  
(DIN 00023447)

Sd/-  
**Ravjibhai Parbatbhai Patel**  
Managing Director (CEO)  
(DIN 00023332)

Place: Surat  
Dated: 03.09.2022

**DECLARATION OF WHOLE-TIME DIRECTOR**

Pursuant to the Regulation 34, 53 read with Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, it is hereby declared that all the Board Members and Senior Management Personnel of Surbhi Industries Limited have affirmed compliance with the Code of Conduct for Directors and Senior Management for the Financial Year ended March 31, 2022.

Sd/-  
**Bipinbhai Jasmatbhai Patel**  
Whole-time Director  
(DIN 00023447)

Place: Surat  
Dated: 03.09.2022

**Form No. MR-3**  
**Secretarial Audit Report**  
**For the Financial Year Ended 31<sup>st</sup> March, 2022**

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

To,

The Members,

**SURBHI INDUSTRIES LTD**

“Surbhi House”, 2nd Floor, FP NO 206,

B/h Old Sub Jail, Ring Road, Khatodara Surat – 395002

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SURBHI INDUSTRIES LTD** (Hereinafter called the Company). Secretarial Audit was conducted in a manner that provides us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the **SURBHI INDUSTRIES LTD** 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 March 31, 2022 complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance – mechanism in the place to the extent, in the manner and subject to the reporting made hereafter :

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by **SURBHI INDUSTRIES LTD** (“the Company”) for the financial year ended on March 31, 2022 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of foreign director investment, overseas direct investment and external commercial borrowings;
- (v) The following Regulations and Guidelines prescribe under 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, 2018;
  - (d) The Securities and Exchange Board of India (Share based Employee Benefit) 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; and Securities and Exchange Board of India (Issue and listing of Non-Convertible Securities) Regulations, 2021 (*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; and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (*Not applicable to the company during the audit period*)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (*Not applicable to the company during the audit period*)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (j) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996 (*Not applicable to the company during the audit period*)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The listing agreements entered in to by the Company with the BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. and Company has filed forms and returns as per annexure -B with the Registrar of Companies, Regional Director, Central Government, the Tribunal, Court or other authorities within/beyond the prescribed time;

I report that, during the year under review, except late filing of some forms, the company has complied with the provisions of the Act, rules, regulations and guidelines mentioned above:

I further report that there were no events or actions in pursuance of :-

- The status of Company during the financial year has been that of a listed public company. The company has not been a holding or subsidiary of another company
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and Woman Director. There is no change in the composition of the Board of Directors. adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice , 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.
- Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- As per the minutes the decisions at the board meetings were taken unanimously.

I further report that, the compliance of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial auditors and other designated professionals.

I further report that, based on the information provided and the representation made by the company and also on the review of the compliance reports of Company Secretary/ Chief Executive Officer taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the company to monitor and ensure compliance with provisions of applicable general laws like labour laws and environmental laws.

I further report that as represented by the Company and relied upon by us 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.

As informed, the Company has responded to notices for demands, claims, penalties etc levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

I further report that during the audit period the company, no events occurred which had bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards, etc,

**Date: 01.09.2022**  
**Place: Ahmedabad**

**Kishor Dudhatra**  
**Practicing Company Secretary**  
**M.NO.FCS: 7236 CP No. 3959**  
**Peer Review Certificate NO 1919/2022.**  
**UDIN: F007236D000890901**

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

ANNEXURE-A TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN PRACTICE  
( ~~QUALIFIED~~/NON-QUALIFIED)

To,  
The Members,  
**SURBHI INDUSTRIES LTD**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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 followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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, standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

Date: 01.09.2022  
Place: Ahmedabad

**Kishor Dudhatra**  
Practicing Company Secretary  
M.NO.FCS: 7236 CP No. 3959  
Peer Review Certificate NO 1919/2022.  
UDIN: F007236D000890901

## Annexure - B

Sr. No.	Form Details	Section for/ Under which forms was filed	SRN	Date of challan	Whether filed within prescribed time - Yes/ No	If delay in filing whether requisite additional fee paid - Yes/ No
1	FORM MGT-14	Section 117 of the Companies Act,2013	T54679204	18-10-2021	NO	YES
2	FORM MR-1	Section 196 read with Section 197 and Schedule V of the Companies Act, 2013	T59866004	23-11-2021	NO	YES
3	FORM ADT-1	Section 139 of the Companies Act,2013	T54746763	18-10-2021	NO	YES
4	FORM DPT-3	Rule 16 of the Companies (Acceptance of Deposits) Rules, 2014	T23462682	17-06-2021	YES	NO
5	Form MGT-14	Section 117 of the Companies Act, 2013	T25559188	25-06-2021	YES	NO
6	Form CHG-1	Sections 77,78 and 79 and pursuant to Section 384 read with 77,78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules 2014	T29606886	06-07-2021	YES	NO
7	Form CHG-1	Sections 77,78 and 79 and pursuant to Section 384 read with 77,78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules 2014	T29725595	07-07-2021	YES	NO
8	Form MGT -15	section 121(1) of the Companies Act, 2013 and Rule 31(2) of Companies (Management and Administration) Rules, 2014]	T54677026	18-10-2021	YES	NO
9	FORM MGT 14	Section 117 of the Companies Act, 2013	T55792543	25-10-2021	YES	NO
10	FORM MR-1	Section 196 read with Section 197 and Schedule V of the Companies Act, 2013	T60689833	27-11-2021	YES	NO
11	FORM CHG-1	Sections 77,78 and 79 and pursuant to Section 384 read with 77,78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules 2014	T78155801	10-02-2022	YES	NO
12	FORM MGT-7	Section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014	T92135474	30-03-2022	YES	NO
13	FORM CFSS-2020	Application for issue of immunity Certificate under the companies Fresh Start Scheme ( CFSS) 2020	-	25-06-2021	-	-

Date: 01.09.2022  
Place: Ahmedabad

Kishor Dudhatra  
Practicing Company Secretary  
M.NO.FCS: 7236 CP No. 3959  
Peer Review Certificate NO 1919/2022.  
UDIN: F007236D000890901

**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  
**SURBHI INDUSTRIES LTD**  
Surat

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SURBHI INDUSTRIES LTD** having CIN: L17110GJ1992PLC017672 and having registered office at "SURBHI HOUSE" 2nd Floor, F.P. No. 206, B/h Old Sub-Jail, Ring Road, Khatodara, Surat Surat GJ 395002 IN (hereinafter referred to as 'the Company'), produced before me/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 my/our opinion and to the best of my/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 me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	RAVJIBHAI PARBATBHAI PATEL	00023332	21/05/1992
2	BIPINBHAI JASMATBHAI PATEL	00023447	21/05/1992
3	SHEETAL HARSH PATEL	06858676	30/06/2018
4	SATISH NARANDAS PATEL	08168748	30/06/2018

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.

**Date: 01.09.2022**  
**Place: Ahmedabad**

**Kishor Dudhatra**  
**Practicing Company Secretary**  
**M.NO.FCS: 7236 CP No. 3959**  
**Peer Review Certificate NO 1919/2022.**  
**UDIN: F007236D000891658**



**SURBHI INDUSTRIES LIMITED**

**CORPORATE GOVERNANCE**

**COMPANYS' PHILOSOPHY ON CORPORATE GOVERNANCE**

As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply to our company. However, the Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions, Shareholders have right to have complete information about the Directors and Management and their interest in the company as well as governance practices followed by them. Towards this end, the company is making extensive disclosures from time to time.

**Board of Directors**

**I. Composition and Category**

The Board of Company as on date of report consists of four directors two executive and two independent non-executive directors.

**II. Board Meetings, attendance, position held in committee meetings**

The Board duly met 13 times on 01.04.2021, 03.04.2021, 05.05.2021, 14.05.2021, 15.06.2021, 10.08.2021, 02.09.2021, 29.10.2021, 28.12.2021, 18.01.2022, 28.01.2021 and 22.03.2022, 30.03.2022. Notice of the meetings with agenda along with necessary details was sent to the directors in time.

The names and categories of the Directors, their attendance at Board meetings and General Meeting as also position held by them in committees of other public limited companies as on 31<sup>st</sup> March 2022 are given below.

Name of the Director	Category	Attendance particular 2021-22				
		Board Meeting held During tenure of Director	Board Meeting Attended	Last AGM	No. of Directorship in other Public Ltd. Cos	Chairman/Membership in other public limited Cos.
1. SHRI BIPINBHAI PATEL	Executive	13	12	Y	-	-
2. SHRI RAVJIBHAI PATEL	Executive	13	12	Y	-	-
3. SHEETAL HARSH PATEL	Independent	13	13	Y		
4. SATISH NARANDAS PATEL	Independent	13	13	Y		

\* at the meeting of independent directors held on 24.03.2022 non-independent directors are not entitled to attend.

**III. Information on Directors Re-appointment**

**Brief resume of director to be reappointed**

Mr. Bipinbhai Jasmatbhai Patel (DIN: 00023447) Whole-time Director & CFO is also the founder of our Company, he has served our company for more than 20 years. His zeal and dedication towards work has helped the company to achieve greater heights. Our company needs his foresight and knowledge for future development

The details of appointees in pursuance of the Listing Agreement are mentioned hereunder:

<b>Name of Director</b>	Mr. Bipinbhai Jasmatbhai Patel
<b>Date of Birth</b>	14th March 1970
<b>Date of Appointment</b>	21st May 1992
<b>Qualification</b>	Diploma Mechanical Engineer
<b>Expertise in specific functional areas</b>	Production Market development, Public Relation
<b>List of Companies in which directorship is held as on</b>	N. A.
<b>Chairman / Member of the committee</b>	2
<b>Terms and Conditions of Re-appointment</b>	As per the resolution at Item No. 2 of the Notice convening this Meeting read with explanatory statement thereto
<b>Remuneration last drawn (including sitting fees, if any)</b>	Rs. 27.18 Lakh for FY. 2021-22 drawn as WTD of the company.
<b>Remuneration proposed to be paid</b>	As per his original terms of appointment
<b>No. of Board Meetings attended during the year (out of * held)</b>	12/13
<b>Shareholding of the Director in the Company</b>	119000 Equity shares of Face Value of Rs. 10 each (3.46%)
<b>Relationship with other Directors / Key Managerial Personnel</b>	Relative of Mr. Ravjibhai Patel Managing Director

As required under Companies Act, 2013 approval of members of the company is being sought for the reappointment as stated in agenda items number 2.

The Board of Director recommends the relevant resolution for your consideration and approval as an Ordinary Resolution.

#### IV. Audit Committee

Audit Committee, during the year under review consist of three members out of them two are independent directors, Mr. Satish Patel, Independent Director, is a Chairman of the Audit Committee, and Mrs. Sheetal Harsh Patel, independent director and Mr. Bipinbhai Patel are members to the committee. The members of audit committees during the year 2021-22 are as under;

Committee met on 4 times for perusal of financial position and un-audited quarterly result and also met for the finalization of account for the year ended on 31.03.2022 and for the review of financial position of the company. The Accounts and Financial position perused by the Audit Committee were placed before board for their consideration.

#### Attendance

S. No	Name of the Members	Number of attended
1	Mr. Bipinbhai Patel	4
2	Mr. Satish Patel	4
3	Mrs. Sheetal Harsh Patel	4

During the year under review committee met four times on 14.05.2021, 10.08.2021, 29.10.2021, 28.01.2022

#### V. NOMINATION & REMUNERATION COMMITTEE

Pursuant to Section 178 and in conformity with the requirements of code of Corporate Governance as well as under Schedule V of Companies Act, 2013 and under Regulation 19 of SEBI Listing Regulations, Remuneration Committee is reconstitute as **REMUNERATION & NOMINATION COMMITTEE WHICH** comprises of two members who are independent and non-executive directors namely Mr. Satish Patel, Chairman and Mrs. Sheetal Harsh Patel as per the requirement of Code of Corporate Governance as well as under Schedule XIII and under SEBI (LODR) Regulations. The Committee reviews and recommends the remuneration proposed to be paid to the Managing Director/Whole time Director and non-executive directors of the Company to the Board of Directors. The Committee is also empowered to decide on Employees' Stock Option Scheme as and when such scheme is considered for introduction in the Company.

As on date Company has a Managing Director and Whole-Time Director, remunerations of the executive directors have been duly approved by Committee, no remuneration were paid to Non-Executive Directors including sitting fees for attending the meetings of the Board of Directors or committee thereof. Further the remunerations of the Managing Directors/Whole time Directors as recommended by the remuneration committee thereafter decided by the Board of Directors and then subsequently approved by the shareholders at the general meeting as required by the Companies Act, 1956 (or Companies Act, 2013). The Chairman & Managing Director /Whole-time Director are paid remuneration as per the terms and conditions approved by the Board of Directors and shareholders.

During the financial year 2020-21 the meeting of the Remuneration Committee was held on 01.04.2021 & on 02.09.2021 to review the remuneration of Mr. Ravjibhai Parbatbhai Patel, MD (who had been reappointed as Managing Director in the BM held on 01.04.2021 and approval of the shareholder was obtained in AGM held on 30.09.2021) and Mr. Bipinbhai Jasmatbhai Patel WTD (who had been reappointed as Whole Time Director in the BM held on 02.09.2021 and approval of the shareholder was obtained in AGM held on 30.09.2021) and approve the remuneration payable to MD/WTD as per the terms approval at the meeting of shareholders. During the year committee recommend to increase the remuneration payable to Managing Director Mr. Ravjibhai Patel and Wholetime Director Mr. Bipinbhai Jasmatbhai Patel proposed member to approve the same.

#### DETAILS OF REMUNERATIONS PAID TO MANAGING DIRECTORS / WHOLE TIME DIRECTORS DURING THE FINANCIAL YEAR 2021-22 IS GIVEN HERE BELOW:

(Amount in Rs.)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Mr. Ravjibhai Parbatbhai Patel	3600000/-	NIL	NIL
Mr. Bipinbhai Jasmatbhai Patel	2718000/-	NIL	NIL

#### Notes:

- All the elements of remuneration of the Managing Directors and Whole-time Director i.e. Salary, Commission, Perquisites and other benefits etc. are given in Schedule annexed to and forming part of Profit & Loss Account. For the purpose of Gratuity, pension and other benefits, the services of Managing Directors and Joint Managing Directorship be considered continuous service with the Company from original date of joining.
- No sitting fees are paid for attending the meeting of the Board or sub committees of the Board.

#### VI. STAKEHOLDER'S RELATIONSHIP COMMITTEE (SHARE TRANSFER COMMITTEE /INVESTOR GRIEVANCE COMMITTEE)

The Committee looks into and investigate the investors complaints relating to non-receipt of transfer of shares, declared dividends, Annual Reports etc., and take necessary steps for redressed thereof. The Committee consists of the following members:

S. No.	Name	Status	No. of meeting attended
1	Mr. Satish Narandas Patel	Chairman(Independent)	4
2	Mr. Bipinbhai Patel	Member (E)	4
3	Mrs. Sheetal Harsh Patel	Member (Independent)	4

During the year under review 4 meetings of Stakeholder's Relationship Committee meetings were held on 14.05.2021, 10.08.2021, 29.10.2021, 28.01.2022.

In SCORE portal there were no complaints pending for resolution in the previous years and during the current financial year two complaints were received and no complaint pending as on 31-03-2022.

No. of complaints at the beginning of the year	No. of Complaint Received	No. of Complaint Solved	No. of Complaint Pending at the end of the year
0	2	2	0

All valid transfers received during the financial year 2021-22 if any, have been acted upon and Company and there is no pending share transfer for transfer except rejected on valid ground.

#### Risk Management committee

The Board of the Company has formed a risk management committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

- During the year under review, meetings of independent directors were held on 24<sup>th</sup> March 2022.

#### CODE OF CONDUCT

The Board approved the code of Conduct applicable to the Board Members and the senior management of the company for avoidance of conflicts of interest at its meeting dated 01.04.2021 and received necessary declaration affirming compliance with the Code of Conduct as may be applicable time to time.

#### Exclusive email id:

Further as per SEBI (LODR) Regulations 2015, company has designated exclusive email id: [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com) of grievance redressal service department exclusively for the purpose of registering complaints by investor. For, prompt disposal of any query or any matters Shareholders may contact to the Registrar and Share Transfer Agent and under the above referred email id.

#### VII. SHARE TRANSFER:

The company has appointed M/s Bigshare Services Private Limited, E-2/3, Ansa Industrial Estate, Saki vihar Road, Saki Naka, Andheri, Mumbai, as Registrar and Share Transfer Agent.

#### IX. MARKET PRICE DATA:

The month wise detail of market prices of the shares are as below:

Month	Open	High	Low	Close
Apr - 21	No trading	No trading	No trading	No trading
May - 21	No trading	No trading	No trading	No trading
June - 21	1.50	1.80	1.50	1.80
July - 21	No trading	No trading	No trading	No trading
August - 21	No trading	No trading	No trading	No trading
September - 21	No trading	No trading	No trading	No trading
October - 21	No trading	No trading	No trading	No trading
Nov - 21	No trading	No trading	No trading	No trading
Dec - 21	No trading	No trading	No trading	No trading
Jan - 22	No trading	No trading	No trading	No trading
Feb - 22	No trading	No trading	No trading	No trading
Mar - 22	No trading	No trading	No trading	No trading

#### X. MANAGEMENT DISCUSSION AND ANALYSIS:

Report on Management discussion and analysis has been given separately in this Annual Report and form part of this report.

## XI. ANNUAL GENERAL MEETINGS

30<sup>th</sup> Annual General Meeting of the members of SURBHI INDUSTRIES LIMITED will be held on Friday the 30<sup>th</sup> day of September 2022 at 10.00 A.M. at "Surbhi House", 2<sup>nd</sup> Floor, FP NO 206, B/h Old Sub Jail, Ring Road, Khatodara Surat - 395 002

### Particulars of AGM held during last three year

Year	Date	Time	Place of Meeting	Nos. of Special Resolutions Passed
2020-21	30/09/2021	02:30 P.M.	Registered office	1
2019-20	30/09/2020	12:30 P.M.	Registered office	Nil
2018-19	28/09/2019	10:00 A.M.	Registered office	Nil

## XII. COMPLIANCE OFFICER:

During the year 2021-22 Mrs. Hetal Joshi, Company Secretary acting as the Compliance Officer of the company.

## XIII. LISTING

The company has made payment of listing fees and during the year Shares of Company are thinly traded. Thereafter there is no volume in Share due to non-availability of seller against Buyer of Shares.

## XIV. STOCK CODE

- (1.) Trading Scrip Code at The BSE Ltd. :514260
- (2.) ISIN: INE899E01019

## XV. FINANCIAL RESULTS:

The quarterly/half yearly /yearly financial results were informed in time to stock exchanges and published in the newspapers.

## XVI. BOOK CLOSURE

For updating records and shareholding information of the members of the company, The Register of Members and Share Transfer Books of the Company will remain close from Saturday, September 24, 2022 to Friday, September 30, 2022 (both days inclusive)

## XVII. SHAREHOLDING PATTERN:

Shareholding pattern as on 31.03.2022

<b>Indian</b>	
1.Promoters and Promoter Group	60.53
2. Public Shareholding	39.47
<b>Foreign</b>	
1. Promoters and Promoter Group	
2. Public Shareholding	
<b>TOTAL</b>	<b>100.00%</b>

Detailed shareholding pattern is available on website of the company at [www.surbhi.com](http://www.surbhi.com) and BSE portal.

## XVIII. REGISTERED OFFICE:

The registered office of the Company situated at "Surbhi House", 2nd Floor, FP NO 206, B/h Old Sub Jail, Ring Road, Khatodara Surat - 395002

### Plant Location

Plot No. 249/1, 248/8-9-10, Village: Karanj, Ta. Mandvi, Dist. Surat.

Promoters are working very hard to lead company to new horizons and giving better results.

**Registered Office:**  
"Surbhi House",  
2nd Floor, FP NO 206,  
B/h Old Sub Jail, Ring Road,  
Khatodara Surat - 395002

**For and on behalf of the Board of Directors**  
**By order of the Board**

Sd/-  
**Bipinbhai Patel**  
Chairman  
DIN: 00023447

**Date:** 03.09.2022  
**Place:** Surat

**SURBHI INDUSTRIES LIMITED**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
SURBHI INDUSTRIES LTD.**

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

**Opinion**

We have audited the Financial Statements of SURBHI INDUSTRIES LTD ("the Company"), which comprise the balance sheet as at 31st March 2022, and the statement of profit and loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 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 March 31, 2022, and its profit/loss, (*changes in equity*) and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Financial Statements under the provisions of the Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

**"Information Other than the Financial Statements and Auditor's Report Thereon"**

The Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the X report, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Financial Statements.

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

- a. Identify and assess the risks of material misstatement of the 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.
- b. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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 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 auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in

- (i) Planning the scope of our audit work and in evaluating the results of our work; and
- (ii) to evaluate the effect of any identified misstatements in the 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.

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 Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

OR

The provisions of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company since

- (a) It is not a subsidiary or holding company of a public company;
  - (b) Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date;
  - (c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and
  - (d) Its turnover for the year is not more than Rs.10 Crores during the year.
2. 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 [*and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.*]
    - (c) [*The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.*]
    - (d) The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity) and the Cash Flow Statement

dealt with by this Report are in agreement with the books of account [and with the returns received from the branches not visited by us].

- (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) Since the Company's turnover as per last audited Financial Statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;

OR

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) 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.
  - d.
    - i. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - iii. Based on such audit procedures which we have 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) contain any material mis-statement.
  - e. The company has not declared or paid any dividend during the year is in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.

**For Ghael Choksi & Co.**  
**Chartered Accountants**  
**FRN. 0153978W**

**Sd/-**  
**Vikrant Bipinchandra Ghael**  
**Partner**  
**M.No. 112324**

**Date: 12<sup>th</sup> May 2022**  
**Place: Surat**

**Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.  
  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
  
(c) The title deeds of immovable properties are held in the name of company.
- ii. As explained to us, the inventory has been physically verified by the management at regular intervals during the year and the company has maintained proper records of inventory.  
Moreover, no material discrepancies were noticed on physical verification of inventory as compared to books records.
- iii. In our opinion and according to the information and explanations given to us, the company has not granted loans or made investments or given guarantees and security. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- v. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vi. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, GST, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- vii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- viii. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid or provided. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- x. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xi. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013. The details have been disclosed in the Financial Statements as required by the applicable Ind AS in Note 30 of Financial Statements.
- xii. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



- xiv. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Ghael Choksi & Co.  
Chartered Accountants  
FRN. 0153978W**

**Sd/-  
Vikrant Bipinchandra Ghael  
Partner  
M.No. 112324**

**Date: 12<sup>th</sup> May 2022  
Place: Surat**

## ANNEXURE - B TO THE AUDITORS' REPORT

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **SURBHI INDUSTRIES LTD.** ("The Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('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 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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes 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 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 financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting 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.

**For Ghael Choksi & Co.**

**Chartered Accountants**

**FRN. 0153978W**

**Sd/-**

**Vikrant Bipinchandra Ghael**

**Partner M.No. 112324**

**Date: 12<sup>th</sup> May 2022**

**Place: Surat**

**SURBHI INDUSTRIES LTD**  
**SURBHI HOUSE, 2ND FLOOR, F.P. NO. 206, B/H OLD SUB JAIL, RING ROAD, KHATODARA, SURAT, GUJARAT-395002**  
**CIN : L17110GJ1992PLC017672**  
**BALANCE SHEET AS AT 31/03/2022**

In `

Particulars	Note	31/03/2022	31/03/2021
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	34374000.00	34374000.00
Reserves and surplus	2.2	135817384.00	124529100.65
Money received against share warrants		-	-
		170191384.00	158903100.65
Share application money pending allotment		-	-
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	115999161.50	6633444.00
Deferred tax liabilities (Net)		-	-
Other Long term liabilities		-	-
Long-term provisions	2.4	1937000.00	1937000.00
		117936161.50	8570444.00
<b>Current liabilities</b>			
Short-term borrowings	2.5	19619211.56	12158637.26
Trade payables	2.6		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6753516.00	8846580.00
Other current liabilities	2.7	25704000.00	23496000.00
Short-term provisions	2.8	2894204.56	1816348.00
		54970932.12	46317565.26
<b>TOTAL</b>		<b>343098478.00</b>	<b>213791109.91</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment and Intangible Assets			
Property, Plant and Equipment	2.9	154708062.00	75991802.00
Intangible assets		-	-
Capital work-in-progress		-	-
Intangible assets under development		-	-
		154708060.00	75991802.00
Non-current investments		-	-
Deferred tax assets (net)	3.0	7763946.00	9132862.00
Long-term loans and advances		-	-
Other non-current assets		-	-
		162472006.00	85124664.00
<b>Current assets</b>			
Current investments	3.1	2180700.00	2173700.00
Inventories	3.2	27696940.00	21194454.00
Trade receivables	3.3	50732830.00	52561830.00
Cash and cash equivalents	3.4	5205993.04	596103.52
Short-term loans and advances	3.5	3432881.04	3505026.54
Other current assets	3.6	91377125.58	48635331.85
		180626469.66	128666445.91
<b>TOTAL</b>		<b>3430984758.00</b>	<b>213791109.91</b>

In terms of our attached report of even date  
For GHAEL CHOKSI & COMPANY  
CHARTERED ACCOUNTANTS  
FRN : 0153978W  
Sd/-  
**VIKRANT BIPINCHANDRA GHAEL**  
(PARTNER)

For SURBHI INDUSTRIES LTD

Sd/-  
**RAVJIBHAI P. PATEL**  
(DIRECTOR)  
(DIN : 00023332)

Sd/-  
**BIPINBHAI J. PATEL**  
(DIRECTOR)  
(DIN : 00023447)

Place : SURAT  
Date : 12/05/2022

**SURBHI INDUSTRIES LTD**  
**SURBHI HOUSE, 2ND FLOOR, F.P. NO. 206, B/H OLD SUB JAIL, RING ROAD, KHATODARA, SURAT, GUJARAT-395002**  
**CIN : L17110GJ1992PLC017672**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2022**

In `

Particulars	Note	31/03/2022	31/03/2021
Revenue from operations	3.7	286111031.50	180327728.11
Other income	3.8	10908707.42	10157827.69
<b>Total Income</b>		<b>297019738.92</b>	<b>190485555.80</b>
<b>Expenses</b>			
Cost of materials consumed	3.9	173977740.19	87939076.72
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	4.0	(9343152.00)	(7211285.00)
Employee benefits expense	4.1	25569713.00	22185934.00
Finance costs	4.2	10810621.28	4798142.82
Depreciation and amortization expense	4.3	37194398.00	29488574.00
Other expenses	4.4	39384128.28	29696432.27
<b>Total expenses</b>		<b>277593448.75</b>	<b>166896874.81</b>
Profit before exceptional, extraordinary and prior period items and tax		19426290.17	23588680.99
Exceptional items	4.5	-	-
Profit before extraordinary and prior period items and tax		19426290.17	23588680.99
Extraordinary Items	4.6	-	-
Profit before prior period items and tax		19426290.17	23588680.99
Prior Period Items	4.7	-	-
Profit before tax		19426290.17	23588680.99
Tax expense:	4.8		
Current tax		6928736.00	7259558.00
Deferred tax		1368915.00	817416.00
Profit/ (loss) for the period from continuing operations		11128639.17	15511706.99
Profit/ (loss) from discontinuing operations	4.9	-	-
Tax expense of discontinuing operations		-	-
Profit/ (loss) from Discontinuing operations (after tax)		-	-
Profit/ (loss) for the period		11128639.17	15511706.99
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to Profit & Loss		159645.00	3719.21
(i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to Profit & Loss			
Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		11288284.00	15515426.00
Earnings per equity share:	5.1		
Basic		3.24	4.51
Diluted		-	-

**In terms of our attached report of even date**  
**For GHAEL CHOKSI & COMPANY**  
**CHARTERED ACCOUNTANTS**  
**FRN : 0153978W**  
**Sd/-**  
**VIKRANT BIPINCHANDRA GHAEL**  
**(PARTNER)**

**For SURBHI INDUSTRIES LTD**

**Sd/-**  
**RAVJIBHAI P. PATEL**  
**(DIRECTOR)**  
**(DIN : 00023332)**

**Sd/-**  
**BIPINBHAI J. PATEL**  
**(DIRECTOR)**  
**(DIN : 00023447)**

**Place : SURAT**  
**Date : 12/05/2022**

**M/S. SURBHI INDUSTRIES LTD.**  
**Cash Flow Statement for the year ended on 31.03.2022**

	FY 2021-22		FY 2020-21	
<b>A .Cash Flow from Operating Activities</b>				
Net Profit Befor Tax	19426290		23588681	
Adjustments For :				
Add: Deprecition	37194398		29488574	
Financial Charges	10810621		4798143	
	<b>48005019</b>		<b>34286717</b>	
Less: Investment Income	1764400		2034064	
Profit on sale of Fixed Assets	0			
	<b>1764400</b>		<b>2034064</b>	
<b>Operating Profit before Working Capital Changes</b>		<b>65666909</b>		<b>55841334</b>
<b>Adjustment for Working Capital Changes</b>				
<b>Cash Inflow</b>				
Decrease in Receivables			-	
Decrease in Other Current Assets			-	
Decrease in Trade & Other Receivable				
Increase in Long Term Provsions	0		-1786000	
Increase in Short Term Provsions	1077857		-3980436	
Increase in Other Cuirrent Liabilities	2208000		0	
Increase in Trade Payables	-2093064		1356484	
	<b>1192792.6</b>		<b>-4409952</b>	
<b>Cash Outflow</b>				
Decrease in Trade Payables	0		-	
Decrease in Short Term Provsions	0			
Decrease in Other Cuirrent Liabilities	0			
Increase in Trade & Other Receivable	-1829000		-19345179	
Increase in Loans & Advances	-72146		651692	
Increase in Other Current Assets	42741794		17926416	
Increase in Inventory	6502486		11294688	
	<b>47343134</b>		<b>10527617</b>	
<b>Net Cash Inflow(outflow) for working Capital</b>		<b>-46150342</b>		<b>-14937569</b>
<b>Cash From Operations</b>				
Less: Direct Taxes Paid		<b>-6769091</b>		<b>-7259558</b>
<b>Net Cash Flow from Operating Activities</b>		<b>12747477</b>		<b>33644207</b>
<b>B .Cash Flow from Investing Activities</b>				
<b>Cash Inflow</b>				
Decrease in FD	0			
Investment Income	1764400		2034064	
Decrease in Long Term Loans and Advances	0		0	
Sale of Fixed Assets	0		1293000	
Subsidy Received	0		0	
	<b>1764400</b>		<b>3327064</b>	
<b>Cash Outflow</b>				
Purchase of Fixed Assets	115910656		17376416	
Increase Investments	7000		-	
Increase FD	0		0	
Increase in other Non Current Assets	0		0	
	<b>115917656</b>		<b>17376416</b>	
<b>Net Cash Inflow(Outflow) in Investing Activities</b>		<b>-114153256</b>		<b>-14049352</b>
<b>C Cash Flow from financing Activitie</b>				
<b>Cash Inflow</b>				
Increase in working Capital Loans	7460574		-5371211	
Increase in Term Loan(Net)	109365718		-9566556	
Increase in share capital				
	<b>116826292</b>		<b>-14937767</b>	
<b>Cash Outflow</b>				

Financial Charges	10810621		4798143	
Repayment of Term loans	0		0	
Repayment of Deposits			0	
Decrease in short term borrowing				
	<b>10810621</b>		<b>4798143</b>	
<b>Net Cash Inflow(Outflow) in Financing Activities</b>		<b>106015671</b>		<b>-19735910</b>
<b>Net Cash Flow</b>		<b>4609890</b>		<b>-141055</b>
<b>Net Cash Changes</b>				
Cash and Bank as on 1st April	596104		737158	
Cash and Bank as on 31st Mar	5205993	<b>-4609890</b>	596104	<b>141055</b>

In terms of our attached report of even date

For GHAEL CHOKSI & COMPANY

CHARTERED ACCOUNTANTS

FRN : 0153978W

Sd/-

VIKRANT BIPINCHANDRA GHAEL  
(PARTNER)

For SURBHI INDUSTRIES LTD

Sd/-

RAVJIBHAI P. PATEL  
(DIRECTOR)  
(DIN : 00023332)

Sd/-

BIPINBHAI J. PATEL  
(DIRECTOR)  
(DIN : 00023447)

Place : SURAT

Date : 12/05/2022

**Statement of Changes in Equity for the Year Ended 31st March, 2022**

**A. Equity Share Capital**

Particulars	Number of Shares	Amount in Rs.
<b>Equity Shares of Rs. 10 each issued, subscribed &amp; fully paid</b>		
As at 31st March, 2021	3437400	34,374,000
As at 31st March, 2022	3437400	34,374,000

**B. Other Equity**

(Amount in Rs.)

Particulars	Other Equity		Other items of Other Comprehensive Income (specify nature)	Total
	Other Reserves (Capital Reserve)	Retained Earnings		
As at 1st April, 2021	2500000	122,029,101	0	124,529,101
Changes in accounting policy or prior period errors	0	0	0	0
Restated balance at the beginning of the reporting period	0	0	0	0
Profit/Loss during the current period	0	11,288,284	0	11,288,284
Profit on sale of asset		0	0	0
Comprehensive Income for the year	0	0	0	0
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfer to retained earnings	0	0	0	0
As at 31st March, 2022	2,500,000	133,317,385	0	135,817,384

For, Ghael Choksi & Co.

Chartered Accounts

FRN: 0153978W

Sd/-

Vikrant Bipinchandra Ghael

M. No. 112324

Date: 12th May, 2022

Place: Surat

For and on behalf of Board of Directors

Surbhi Industries Ltd.

Sd/-

Ravjibhai P. Patel

Director

DIN: 00023332

Sd/-

Bipinbhai J. Patel

Director

DIN : 00023447

**SURBHI INDUSTRIES LIMITED**  
**Notes to the Ind AS Financial Statements for the year ended 31st March, 2022**  
**(All amounts are in INR Actual, unless otherwise stated)**

**1. COMPANY OVERVIEW**

Surbhi Industries Limited is engaged in the manufacturing of Fabric and Yarn (Textile) It was incorporated on 21<sup>st</sup> May, 1992 as a public limited company and came out with a public issue on December 21, 1992. The factory premises are located at Karanj. Knitted Fabrics and Yarn are sold in the domestic Market.

The registered office is located at Surbhi House, F.P.no.206, B/h Old Subjail, Ring Road, Khatodara, Surat – 395002, Gujarat, India.

**b) Basis of measurement**

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including equity Shares financial instruments which have been measured at fair value as described below.

**Fair value measurement**

Fair value is the price that would be received to sell 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 either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 as explained above.

For other fair value related disclosures refer note no 32.

**c) Functional and Presentation Currency**

The financial statements are presented in Indian Rupees, the currency of the primary economic environment in which the Company operates.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

**a) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty. Revenue from sales is recognized when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery.

**b) Property, Plant and Equipment**

**i. Property, Plant and Equipment**



Company being the first time adopter to Ind AS and there is no change in its functional currency on the date of transition to Ind AS, the company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS i.e. April 1, 2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

The Company has applied Ind AS 16 with prospective effect for all of its property, plant and equipment as at the transition date, viz., April 1, 2016.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## ii. Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on value basis.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

However, the value of fixed asset as on the balance sheet date is insignificant and fixed assets is carried at its residual value and no depreciation is provided during the year.

## c) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **Financial Assets**

#### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### **Subsequent Measurement**

Subsequent measurement of financial assets is described below –

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

However, reporting entity does not have such financial assets to be measured at amortized cost using EIR method.

#### **Financial Assets – Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or  
The Company has transferred its rights 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 a 'pass through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred

control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### **Financial liabilities - Recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

The measurement of financial liabilities depends on their classification, as described below:

##### **•Financial liabilities at fair value through statement of profit and loss**

Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

##### **•Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **Financial liabilities - Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

For more information on financial instruments Refer note no 32

#### **d) Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of twelve months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

#### **e) Impairment of Non-financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

#### **f) Inventories**

Inventories are valued at the lower of cost and net realisable value

Cost of Inventories include the Purchase price, Cost of conversion and Cost incurred to bring the asset to its present location and condition

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale

Inventories encompasses goods purchased and held for resale, Finished Goods produced or Work In Progress by the entity

Inventories for the company include and are valued at as follows:

Finished goods : Valued at cost or realizable value whichever is less.

Raw material : Valued at cost or realizable value whichever is less.

#### **g) Taxation**

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in 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.

##### **Deferred tax**

Deferred tax is provided using the liability method 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, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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 are re-assessed 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 outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in 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.

## **h) Employee Benefit Schemes**

### **i. Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

### **ii. Post-employment benefits**

#### **Defined benefit plans – Provident fund**

As per the provision of Employee Provident Fund & Miscellaneous Act, the Company has an obligation to take the registration under the act and make contribution to PF.

The company is in process of complying with the provisions of EPF A/c, Gratuity and other applicable labour laws.

## **i) Foreign Currency Transactions**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date.

All exchange differences are included in the statement of profit and loss.

## **j) Earnings Per Share**

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

## **k) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue are accounted for based on the cost price. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

## **l) Cash Flow Statement**

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **m) Use of Estimates and Judgments**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in note no. 33.

Surbhi industries Ltd  
Note 1 Property Plant and Equipment

(Amount in  
Rs.)

Particulars	Gross Block					Accumulated Depreciation				Net Block	
	Balance as at 01/04/2021	Addition	Deduction	Retained earnings	Balance as at 31/03/2022	Balance as at 01/04/2021	Depreciation for the year	Deduction	Depr Fund	Balance as at 31/03/2022	Balance as at 31/03/2021
Land	2,400,760	-	-	-	2,400,760	-	-	-	-	2,400,760	2,400,760
Factory Building	21,340,765	1,161,577	-	-	22,502,342	12,349,762	885,668	-	13,235,430	9,266,912	8,991,003
Plant & Machinery	360,811,235	109,312,499	-	-	470,123,734	320,206,853	33,007,872	-	353,214,725	116,909,008	40,604,382
Office Equipment	2,792,948	526,488	-	-	3,319,436	2,306,319	181,862	-	2,488,181	831,254	486,629
Electrification	4,028,722	2,694,713	-	-	6,723,435	3,204,496	228,071	-	3,432,567	3,290,868	824,226
Vehicles	276,450	-	-	-	276,450	228,580	5,254	-	233,834	42,617	47,870
Computer	1,564,896	109,801	-	-	1,674,697	1,383,613	78,022	-	1,461,635	213,062	181,283
Furniture & Fixtu.	1,262,253	1,101,558	-	-	2,363,812	691,272	103,295	-	794,567	1,569,245	570,981
Testing & Lab Equip.	221,722	18,500	-	-	240,222	207,515	2,764	-	210,279	29,943	14,207
Tube Well	57,612	-	-	-	57,612	45,520	1,947	-	47,467	10,145	12,092
Water Tank	23,990	-	-	-	23,990	14,045	3,990	-	18,035	5,955	9,945
Motor Car	16,853,982	-	-	-	16,853,982	7,253,884	2,001,410	-	9,255,294	7,598,688	9,600,098
Other Machinery	968,745	721,000	-	-	1,689,745	371,459	61,354	-	432,813	1,256,932	597,286
Office Building	2,295,202	-	-	-	2,295,202	471,309	88,047	-	559,356	1,735,846	1,823,893
Solar Power Plant	8,602,766	-	-	-	8,602,766	192,470	544,842	-	737,312	7,865,455	8,410,296
Knitting Project (WIP)	1,416,851	4,537,340	5,954,191	-	0	-	-	-	-	0	1,416,851
Solar Park (WIP)	-	1,681,371	-	-	1,681,371	-	-	-	-	1,681,371	-
<b>Current Year Total</b>	<b>424,918,900</b>	<b>121,864,847</b>	<b>5,954,191</b>	<b>-</b>	<b>540,829,556</b>	<b>348,927,097</b>	<b>37,194,398</b>	<b>-</b>	<b>386,121,495</b>	<b>154,708,062</b>	<b>75,991,803</b>
<b>Previous Year Total</b>	<b>409,364,860</b>	<b>17,376,416</b>	<b>1,822,377</b>	<b>-</b>	<b>424,918,899</b>	<b>320,938,947</b>	<b>29,488,574</b>	<b>1,500,424</b>	<b>348,927,097</b>	<b>75,991,802</b>	<b>88,425,912</b>

**NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022**

**2.1 Share Capital**

Particulars	In `	
	31/03/2022	31/03/2021
<b>Authorised</b>		
5000000 (5000000) Equity Shares of ` 10/- Par Value	50000000.00	50000000.00
	<b>50000000.00</b>	<b>50000000.00</b>
<b>Issued</b>		
3437400 (3437400) Equity Shares of ` 10/- Par Value	34374000.00	34374000.00
	<b>34374000.00</b>	<b>34374000.00</b>
<b>Subscribed</b>		
3437400 (3437400) Equity Shares of ` 10/- Par Value	34374000.00	34374000.00
	<b>34374000.00</b>	<b>34374000.00</b>
<b>Paidup</b>		
3437400 (3437400) Equity Shares of ` 10/- Par Value Fully Paidup	34374000.00	34374000.00
	<b>34374000.00</b>	<b>34374000.00</b>

**2.2 Reserve and Surplus**

Particulars	In `	
	31/03/2022	31/03/2021
Capital Reserve - Opening	25000000.00	25000000.00
Addition	0.00	0.00
Deduction	0.00	0.00
	<b>25000000.00</b>	<b>25000000.00</b>
Profit and Loss Opening	122029100.65	105546345.66
Amount Transferred From Statement of P&L	11128639.17	15511706.99
Amount Transferred From Sundries		
Others	159644.18	971048.00
	<b>159644.18</b>	<b>971048.00</b>
	<b>135817384.00</b>	<b>122029100.65</b>
	<b>135817384.00</b>	<b>124529100.65</b>

**2.3 Long Term Borrowings**

Particulars	In `	
	31/03/2022	31/03/2021
<b>Term Loan</b>		
<b>Banks</b>		
<b>Secured</b>		
<b>Rupee</b>		
Bank of Baroda bank - Hypothecation of Plant & Machinery	115999161.50	6633444.00
	<b>115999161.50</b>	<b>6633444.00</b>

**2.4 Long Term Provisions**

Particulars	In `	
	31/03/2022	31/03/2021
<b>Employee Benefits</b>		
Gratuity	1937000.00	1937000.00
	<b>1937000.00</b>	<b>1937000.00</b>

**2.5 Short Term Borrowings**

Particulars	In `	
	31/03/2022	31/03/2021
<b>Loans repayable on demand</b>		
<b>Banks</b>		
<b>Secured</b>		
Working Capital From Bank of Baroda (C.C A/c) & FCDL	19619211.56	12158637.26
	<b>19619211.56</b>	<b>12158637.26</b>

**2.6 Trade Payables**

as at 31/03/2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not due	
(i) MSME	0.00	0.00	0.00	0.00	0.00	0.00
<b>(ii) Others</b>						
Sundry Creditor for Goods	2174955.00	0.00	0.00	0.00	0.00	2174955.00

Sundry Creditor for Expenses	4578561.00	0.00	0.00	0.00	0.00	4578561.00
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00	0.00

as at 31/03/2021

In `

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Not due	
(i) MSME	0.00	0.00	0.00	0.00	0.00	0.00
<b>(ii) Others</b>						
Sundry Creditor for Goods	3555052.00	0.00	0.00	0.00	0.00	3555052.00
Sundry Creditor for Expenses	5291528.00	0.00	0.00	0.00	0.00	5291528.00
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues - Others	0.00	0.00	0.00	0.00	0.00	0.00

## 2.7 Other Current Liabilities

In `

Particulars	31/03/2022	31/03/2021
<b>Other payables</b>		
<b>Other Current Liabilities</b>		
Current Maturities Of Long term Debts	25704000.00	23496000.00
	<b>25704000.00</b>	<b>23496000.00</b>

## 2.8 Short Term Provisions

In `

Particulars	31/03/2022	31/03/2021
<b>Employee Benefits</b>		
Provident Fund Scheme	55858.00	57302.00
<b>Others</b>		
BROKERAGE PAYABLE	0.00	148750.00
GST PAYABLE	17271.96	22000.00
INCOME TAX PAYABLE	904147.17	256392.00
PROFESSIONAL TAX PAYABLE	1400.00	1400.00
SALARY PAYABLE	326700.00	277625.00
TCS PAYABLE	11245.43	2880.00
TDS PAYABLE	341044.00	139973.00
WAGES PAYABLE	1236538.00	910026.00
	<b>2894204.56</b>	<b>1816348.00</b>

## 2.9 Property, Plant and Equipment (AS PER SCHEDULE)

In `

Particulars	Gross					Depreciation					Impairment				Net	
	Opening	Addition	Deduction	Revaluation	Closing	Opening	During Period	Deduction	Other Adj.	Closing	Opening	During Period	Reversal	Closing	Closing	Opening
<b>Other Fixed Assets</b>																
OTHER FIXED ASSETS	424918899	121864847	5954191		540829555	348927097	37194398			386121495					154708060	75991802
<b>Total</b>	<b>424918899</b>	<b>121864847</b>	<b>5954191</b>		<b>540829555</b>	<b>348927097</b>	<b>37194398</b>			<b>386121495</b>					<b>154708060</b>	<b>75991802</b>
<b>Grand Total</b>	<b>424918899</b>	<b>121864847</b>	<b>5954191</b>	<b>0</b>	<b>540829555</b>	<b>348927097</b>	<b>37194398</b>	<b>0</b>	<b>0</b>	<b>386121495</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154708060</b>	<b>75991802</b>
Previous	409364860	17376416	1822377	0	424918899	320938947	29488574	1500424	0	348927097	0	0	0	0	75991802	88425913

### 3.0 Deferred Taxes

In `

Particulars	31/03/2022	31/03/2021
<b>Deferred Tax Assets</b>		
Other	7763946.00	9132862.00
	<b>8590492.00</b>	<b>9132862.00</b>

### 3.1 Current investments

In `

Particulars	31/03/2022	31/03/2021
<b>Investments in Equity Instruments</b>		
<b>Trade Unquoted</b>		
200100 (31/03/2021 : 200100) SURBHI TEXTILES MILLS PVT LTD of `	2001000.00	2001000.00
10 Each Fully Paidup in		
1727 (31/03/2021 : 1727) THE SURAT PEOPLES CO-OP. BANK of `	172700.00	172700.00
100 Each Fully Paidup in		
Knitters Asso. Of Western India	7000	
	<b>2180700.00</b>	<b>2173700.00</b>

### 3.2 Inventories

In `

Particulars	31/03/2022	31/03/2021
Raw Material	6046643.00	9085643.00
Work in Progress	4616664.00	2979516.00
Finished Goods	16636182.00	8930178.00
Stores and Spares	275936.00	115495.00
<b>Others</b>		
Packing Material	62580.00	47935.00
<b>Other</b>		
Oils and Chemical	58935.00	35687.00
	<b>27696940.00</b>	<b>21194454.00</b>

### 3.3 Trade receivables

In `

Particulars	31/03/2022	31/03/2021
<b>Trade Receivable</b>		
<b>Unsecured considered good</b>		
<b>Within Six Months</b>		
TRADE RECEIVABLE	48949203.00	52561830.00
<b>Exceeding Six Months</b>		
TRADE RECEIVABLE	1783627.00	0.00
	<b>50732830.00</b>	<b>52561830.00</b>

#### Ageing Schedule as at 31/03/2022

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Not due	

#### Ageing Schedule as at 31/03/2021

Particulars	Outstanding for following periods from due date of payment						Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Not due	

### 3.4 Cash and cash equivalents

In `

Particulars	31/03/2022	31/03/2021
Cash in Hand	46858.65	12985.00
<b>Balances With Banks</b>		
	<b>5205995.04</b>	<b>596103.52</b>

### 3.5 Short-term loans and advances

In `

Particulars	31/03/2022	31/03/2021
<b>Loans and advances to others</b>		
<b>Unsecured, considered good</b>		
Security Deposits	3432881.04	3505026.54
Knitters Asso. Of Western India	7000.00	0.00
	<b>3439881.04</b>	<b>3505026.54</b>



### 3.6 Other current assets

In `

Particulars	31/03/2022	31/03/2021
ADVANCES FOR ASSETS PURCHASE	35000000.00	19988895.00
CGST INPUT CREDIT	10211898.00	2883905.30
CGST ITC PENDING	89724.00	145774.00
FIXED DEPOSIT WITH BANK	15306493.00	23688727.00
GST REFUND RECEIVABLE	1604599.00	330647.00
IGST INPUT CREDIT	9078847.00	0.00
IGST ITC PENDING	3960.00	514.00
INTEREST RECEIVABLE	112474.00	0.00
INVESTMENT IN MUTUAL FUND	10505401.58	0.00
ITC RECEIVABLE	105075.00	0.00
LOAN ADVANCE TO STAFF	254500.00	231000.00
PREPAID EXPENSES	1519708.00	549828.00
SGST INPUT CREDIT	7494722.00	670267.55
SGST ITC PENDING	89724.00	145774.00
	<b>91377125.58</b>	<b>48635331.85</b>

### 3.7 Revenue from operations

In `

Particulars	31/03/2022	31/03/2021
<b>Sale of Products</b>		
<b>Other Goods</b>		
SALE OF PRODUCTS	292088433.94	181733858.70
SALE OF PRODUCTS RETURN	(5977402.44)	(1406130.59)
	<b>286111031.50</b>	<b>180327728.11</b>

### 3.8 Other income

In `

Particulars	31/03/2022	31/03/2021
<b>Interest</b>		
F.D. INTEREST	1738495.00	2034064.00
INTEREST ON GEB DEPOSIT	83496.00	170549.00
INTEREST ON VAT SUBSIDY	643620.00	344099.00
OTHER INTEREST	2626085.53	3267176.68
<b>Dividend</b>		
DIVIDEND INCOME	25905.00	0.00
<b>Profit(Loss) on Redemption / Sale of Investment &amp; Property, Plant and Equipment (Net)</b>		
PROFIT ON SALES OF PLANT & MACHINERY	150000.00	0.00
STCG ON MUTUAL FUND	6177.19	0.00
<b>Miscellaneous</b>		
DISCOUNT & REBATES RECEIVED	134740.21	46089.00
INSURANCE CLAIM	0.00	15239.00
RATE DIFFERENCE	61680.60	0.00
WINDMILL INCOME	5438507.89	4280611.01
	<b>10908707.42</b>	<b>10157827.69</b>

### 3.9 Cost of materials consumed

In `

Particulars	31/03/2022	31/03/2021
<b>Raw Material</b>		
Opening	9085643.00	4954524.00
Purchase	158273537.81	81786435.42
Closing	6046643.00	9085643.00
	<b>161312537.81</b>	<b>77655316.42</b>
<b>Packing Material</b>		
Opening	47935.00	65423.00
Purchase	769979.78	470095.26
Closing	62580.00	47935.00
	<b>755334.78</b>	<b>487583.26</b>
<b>Store Spares</b>		
Opening	115495.00	135423.00
Purchase	11354623.94	8464241.22
Closing	275936.00	115495.00
	<b>11194182.94</b>	<b>8484169.22</b>
<b>Other Material</b>		
Opening	35687.00	45987.00
Purchase	738932.66	1301707.82
Closing	58935.00	35687.00

	715684.66	1312007.82
	173977740.19	87939076.72

#### Details of Raw Material

Particulars	31/03/2022	31/03/2021
RAW MATERIAL	161312537.81	77655316.42
	161312537.81	77655316.42

#### Details of Packing Material

Particulars	31/03/2022	31/03/2021
PACKING MATERIAL	755334.78	487583.26
	755334.78	487583.26

#### Details of Store Spares

Particulars	31/03/2022	31/03/2021
STORE SPARES	11194182.94	8484169.22
	11194182.94	8484169.22

#### Details of Other Material

Particulars	31/03/2022	31/03/2021
OIL & CHEMICALS	715684.66	1312007.82
	715684.66	1312007.82

#### 4.0 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

In `

Particulars	31/03/2022	31/03/2021
<b>Opening</b>		
Finished Goods	8930178.00	2640796.00
Work in Progress	2979516.00	2057613.00
	11909694.00	4698409.00
<b>Closing</b>		
Finished Goods	16636182.00	8930178.00
Work in Progress	4616664.00	2979516.00
	21252846.00	11909694.00
<b>Increase/Decrease</b>		
Finished Goods	(7706004.00)	(6289382.00)
Work in Progress	(1637148.00)	(921903.00)
	(9343152.00)	(7211285.00)

#### Details of Changes in Inventory

Particulars	31/03/2022	31/03/2021
<b>Finished Goods</b>		
FINISHED GOODS	(7706004.00)	(6289382.00)
<b>Work in Progress</b>		
WORK IN PROGRESS	(1637148.00)	(921903.00)
	(9343152.00)	(7211285.00)

#### 4.1 Employee benefits expense

In `

Particulars	31/03/2022	31/03/2021
<b>Salary, Wages &amp; Bonus</b>		
DIRECTOR REMUNERATION	6318000.00	4476000.00
SALARY , WAGES , BONUS & PF	19251713.00	17709934.00
	25569713.00	22185934.00

#### 4.2 Finance costs

In `

Particulars	31/03/2022	31/03/2021
<b>Interest Expenses</b>		
<b>Interest Expenses</b>		
INTEREST ON TERM LOAN	6730824.05	3710185.00
INTEREST ON WORKING CAPITAL	2030873.96	809242.00
LOAN PROCESSING CHRGS	1147850.00	0.00
OTHER INTEREST	11254.00	0.00
<b>Bank Charges</b>		

BANK CHARGES	889819.27	278715.82
	<b>10810621.28</b>	<b>4798142.82</b>

#### 4.3 Depreciation and amortisation expense

In `

Particulars	31/03/2022	31/03/2021
<b>Depreciation &amp; Amortisation</b>		
Depreciation Tangible Assets	37194398.00	29488574.00
	<b>37194398.00</b>	<b>29488574.00</b>

#### 4.4 Other expenses

In `

Particulars	31/03/2022	31/03/2021
<b>Manufacturing Service Costs Expenses</b>		
<b>Power and Fuel</b>		
ELECTRIC EXPENSES	1851753.28	409008.04
ELECTRIC POWER & FUEL	21518859.89	14188418.01
<b>Repairs Maintenance Charges Of Plant and Machinery</b>		
REPAIRS TO MACHINERY	687256.30	1076585.84
<b>Other Manufacturing Costs</b>		
DRAWING CHARGES	47053.00	152768.00
FACTORY EXPENSES	2415470.02	2094417.22
GST CREDIT LAPSE	413416.39	0.00
WIND MILL EXPENSES	690129.63	2843884.53
KNITTED JOB CHARGES	93231.00	0.00
REPAIRS & MAINTENANCE	1745940.52	32150.00
<b>Administrative and General Expenses</b>		
<b>Telephone Postage</b>		
POSTAGE	8647.45	5560.20
TELEPHONE EXPENSES	40950.10	31603.00
<b>Printing Stationery</b>		
PRINTING & STATIONERY EXPENSES	21761.98	22854.08
<b>Rent Rates And taxes</b>		
RENT EXPENSES	132000.00	132000.00
<b>Travelling Conveyance</b>		
TRAVELLING EXPENSES	112300.00	116760.00
<b>Legal and Professional Charges</b>		
LEGAL & PROFESSIONAL CHARGES	1081237.97	529271.45
<b>Insurance Expenses</b>		
INSURANCE PREMIUM	706185.00	706599.00
<b>Vehicle Running Expenses</b>		
VEHICLE EXPENSES	1234725.50	900241.92
<b>Selling Distribution Expenses</b>		
<b>Advertising Promotional Expenses</b>		
ADVERTISEMENT EXPENSES	131276.20	151800.00
<b>Other Selling Distribution Expenses</b>		
BROKERAGE	2560737.38	1789996.88
COMP. AGAIN DEFECTIVE GOODS	144186.56	44876.48
DISCOUNT & REBATE	3589.58	24422.02
SALES PROMOTION	3080.00	0.00
TRANSPORTATION CHARGES	1847848.00	1117102.00
BAD DEBTS	0.00	17178.10
COMPUTER EXPENSES	52400.00	22283.00
FEES AND SUBSCRIPTION	34160.00	12331.00
OFFICE EXPENSES	148263.00	387389.00
SECURITY CHARGES	576000.00	493200.00
ADVOCATE FEES	86500.00	65000.00
ANNUAL MAINTENANCE EXPENSES	168750.00	218150.00
AUDIT FEES	121000.00	156000.00
CLEARING & FORWARDING	77690.92	0.00
CONSULTING CHARGES	94500.00	1250004.00
CUSTOM DUTY &	120312.00	0.00
DONATION	82000.00	0.00
INTERNAL AUDIT FEES	60000.00	60000.00
REGISTRATION CHARGES	17680.00	0.00
SMC / GRAM TAX	2400.00	2400.00
SOFTWARE DEVELOPMENT EXPENSES	95000.00	2100.00
SOFTWARE EXPENSE	71000.00	136000.00
STAMP DUTY CHRGS	84475.61	0.00
TDS INTEREST	361.00	16398.00
GST LATE FEES / PENALTY	0.00	48310.00
INCOME TAX (EARLIER YEAR)	0.00	4260.00

INTEREST ON PROFESIONAL TAX	0.00	31.00
LISTING FEES	0.00	309000.00
RATE DIFFERENCE	0.00	74810.50
TRANSMISSION CHARGES	0.00	26160.00
VAT PAYMENT (EARLIER YEAR)	0.00	25109.00
	<b>39384128.28</b>	<b>29696432.27</b>

#### 4.5 Exceptional items

In `

Particulars	31/03/2022	31/03/2021
	0.00	0.00

#### 4.6 Extraordinary Items

In `

Particulars	31/03/2022	31/03/2021
	0.00	0.00

#### 4.7 Prior Period items

In `

Particulars	31/03/2022	31/03/2021
	0.00	0.00

#### 4.8 Tax expense

In `

Particulars	31/03/2022	31/03/2021
<b>Current tax</b>		
Income Tax Current Year (A.Y. 2022-23)	6928736.00	0.00
Income Tax Current Year (A.Y. 2019-20)	0.00	36737.00
Income Tax Current Year (A.Y. 2021-22)	0.00	7222821.00
Deferred tax	1368915.00	817416.00
	<b>8297651.00</b>	<b>8076974.00</b>

#### 4.9 Profit/(loss) from discontinuing operations

In `

Particulars	31/03/2022	31/03/2021
	0.00	0.00

#### 5.1 Earnings per equity share

In `

Particulars	31/03/2022	31/03/2021
<b>Earnings Per Equity Share</b>		
<b>Basic</b>		
Basic EPS Before Extra Ordinary Item	3.24	4.51
<b>Weighted Average Number of shares</b>		
<b>Number of Shares for basic EPS calculation</b>		
Number of Shares Bought Back During Current Year	3437400.00	3437400.00

#### 6. Segment Reporting

The segment reporting of the Company has been prepared in accordance with Ind AS-108, "Operating Segment" (specified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2015). For management purposes, the Company operates in a single segment viz. Textile only. There is no other distinguishable components of company which can be identified as segment.

#### 7. Related Party Transactions

- |      |                              |               |
|------|------------------------------|---------------|
| i.   | Ravjibhai P. Patel           | Director      |
| ii.  | Bipinbhai J. Patel           | Director      |
| iii. | Surbhi Textile mills pvt ltd | Related Party |

Transaction taken place during the year with related parties

Particulars	As at	As at
	31.03.2022	31.03.2021
	(Amt. in Rs.)	(Amt. in Rs.)
Ravjibhai P. Patel		
- Remuneration Payments	36,00,000	24,00,000
Bipinbhai J. Patel		
- Remuneration Payments	27,18,000	20,76,000
Surbhi Textile Mills Pvt Ltd.		
- Rent Payments	1,32,000	1,32,000

8. Income Tax Expenses

A reconciliation of income tax expenses applicable to accounting profits/(loss) before tax at the statutory income tax rate to recognize income tax expense for the year indicated are as follows:

Particulars	31 <sup>st</sup>	31 <sup>st</sup>
	March,2022	March,2021
	( Amt. in Rs.)	( Amt. in Rs.)
Accounting Profit Before Tax From Continuing Operations	1,94,26,290	2,35,88,681
Profit/(Loss) Before Tax From a Discontinued Operation		
<b>Accounting Profit Before Income Tax</b>	1,94,26,290	2,35,88,681
<b>At India's Statutory Income Tax Rate of 25.17% (31<sup>st</sup> March, 2017 - 29.87%)</b>		
Exempt Income U/s 80IA	0.00	0.00
Non Deductible Expenses for Tax Purpose	3,72,76,759	2,95,47,704
Deductible Expenses for Tax Purpose	2,97,51,266	1,69,79,880
<b>Profit for Tax computation</b>	<b>2,69,51,783</b>	<b>3,61,56,505</b>
Book Profit for MAT*	0.00	3,61,11,473
<b>At Effective Income Tax Rate of 18.5%</b>		
<b>At Effective Income Tax Rate of 22%</b>	0.00	60,27,727
Income Tax Expense Reported in the Statement of Profit and Loss	67,82,729	72,59,558
Interest on Income Tax	1,46,007	3,74,550
<b>Total Income Tax</b>	<b>69,28,736</b>	<b>76,34,108</b>

Deferred Tax Asset/Liabilities

\* DTA is not created on Fair Value of Investment in absence of evidence of company's intend to sell the investment in near future by which time tax laws may have changed resulting in recovery of DTA.

Significant Components of (DTA)/DTL as at 31.03.2021

Particulars	Carrying Value (Amt. in Rs.)	Tax Base (Amt. in Rs.)	Difference (Amt. in Rs.)	(DTA)/DTL (Amt. in Rs.)
Property, Plant & Equipment	7,17,74,861	9,31,06,958	(2,13,32,097)	(91,32,862)
Investment	-	-	-	-
Opening Balance of DTA/DTL				(99,50,279)
Net DTL/(DTA) to be Created				(8,17,417)

Significant Components of (DTA)/DTL as at 31.03.2022

Particulars	Carrying Value (Amt. in Rs.)	Tax Base (Amt. in Rs.)	Difference (Amt. in Rs.)	(DTA)/DTL (Amt. in Rs.)
Property, Plant & Equipment	15,06,25,931	18,15,82,657	(3,09,56,726)	(77,63,947)

Investment	-	-	-	-
Opening Balance of DTA/DTL				(91,32,862)
Net DTL/(DTA) to be Created				(13,68,915)

## 9. Financial Instruments

### Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial assets and financial liabilities are disclosed in Note 2 (c).

(Amount in  
Rs.)

### I. Financial assets and liabilities as at

Particulars	31 <sup>st</sup> March, 2021				
	FVTPL	FVTOIC	Amortized Cost	Carrying Value	Fair Value
<b>Financial Assets</b>					
Cash & Cash Equivalents	-	-	5,96,104	5,96,104	5,96,104
Loans-Non Current	-	-	35,05,027	35,05,027	35,05,027
Loans-Current	-	-	1,21,58,637	1,21,58,637	1,21,58,637
Other Current Assets	-	-	4,86,35,332	4,86,35,332	4,86,35,332
Trade Receivables-Current	-	-	5,25,61,830	5,25,61,830	5,25,61,830
Trade Receivable-Non Current	-	-	-	-	-
Investment-Non Current	-	-	21,73,700	21,73,700	21,73,700
<b>Total</b>			<b>11,96,30,630</b>	<b>11,96,30,630</b>	<b>11,96,30,630</b>
<b>Financial Liabilities</b>					
Trade Payables	-	-	88,46,580	88,46,580	88,46,580
Other Current Liabilities	-	-	2,34,96,000	2,34,96,000	2,34,96,000
Loans-Non Current	-	-	66,33,444	66,33,444	66,33,444
Loans-Current	-	-	-	-	-
			<b>3,89,76,024</b>	<b>3,89,76,024</b>	<b>3,89,76,024</b>

(Amount in  
Rs.)

## I. Financial assets and liabilities as at

Particulars	31 <sup>st</sup> March, 2022				
	FVTPL	FVTOIC	Amortized Cost	Carrying Value	Fair Value
<b>Financial Assets</b>					
Cash & Cash Equivalents	-	-	52,05,994	52,05,994	52,05,994
Loans-Non Current	-	-	34,32,881	34,32,881	34,32,881
Loans-Current	-	-	1,96,19,212	1,96,19,212	1,96,19,212
Other Current Assets	-	-	9,13,77,126	9,13,77,126	9,13,77,126
Trade Receivables-Current	-	-	5,07,32,830	5,07,32,830	5,07,32,830
Trade Receivable-Non Current	-	-	-	-	-
Investment-Non Current	-	-	21,80,700	21,80,700	21,80,700
<b>Total</b>		-	<b>17,25,48,743</b>	<b>17,25,48,743</b>	<b>17,25,48,743</b>
<b>Financial Liabilities</b>					
Trade Payables	-	-	67,53,516	67,53,516	67,53,516
Other Current Liabilities	-	-	2,57,04,000	2,57,04,000	2,57,04,000
Loans-Non Current	-	-	11,59,99,162	11,59,99,162	11,59,99,162
Loans-Current	-	-	-	-	-
			<b>14,84,56,678</b>	<b>14,84,56,678</b>	<b>14,84,56,678</b>

**Fair Value Hierarchy**

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Financial Instruments	Level 1	Level 2	Level 3
<b>As at 31<sup>st</sup> March, 2022</b>			
<b>Financial Assets</b>			
Investment in Unquoted Shares	21,80,700	-	-
<b>As at 31<sup>st</sup> March, 2021</b>			
<b>Financial Assets</b>			
Investment in Unquoted Shares	21,73,700	-	-

The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

- **Cash and Cash Equivalents, Other Current Assets/Liabilities:** Approximate their carrying amounts largely due to the short-term maturities of these instruments.
- **Trade Payables and Trade Receivables:** All trade payables are recorded at transaction price except the trade payables to foreign suppliers. Trade payables to foreign suppliers are recorded @ the exchange rate prevailing on the reporting date and the difference is considered in profit and loss account.
- **Loans Current & Non-Current and Other Current Liabilities:** All the amounts given/taken as loans do not carry any interest obligation and it is not practicable to estimate the timing of repayment of this loan. Thus, it is considered as repayable/receivable on demand and the face value (i.e amount payable on demand) of such asset is considered its fair value.
- **Non-Current Borrowings:** The amount is borrowed for construction of real estate project and the interest of same is capitalized to the project cost, whereas cost of availing loan is apportioned to over a period of loan, thus same is reduced from the value of loan.

There has been no transfer between Level 1 and Level 3 during the above periods.

#### 10. Critical Estimates and Judgments in applying Accounting Policies:

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

##### i) Property, plant and equipment and useful life of property, plant and equipment and intangible assets

The carrying value of property, plant and equipment is arrived at by depreciating the assets over the useful life of assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted for prospectively.

##### ii) Impairment of Non-Financial Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

The management has not assessed the impairment loss on the asset of the company.

##### iii) Provisions and Contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

##### iv) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### 11. Capital Management

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximize the shareholders' value. The company's overall strategy remains unchanged from previous year. The following table summarizes the capital of the company.

Particulars	31 <sup>st</sup> March,	31 <sup>st</sup> March,
	2022	2021
Share Capital	3,43,74,000	3,43,74,000
Free Reserves	13,58,17,384	12,45,29,101
<b>Equity (A)</b>	<b>17,01,91,384</b>	<b>15,89,03,101</b>
Cash & Cash Equivalents	52,05,993	5,96,104
Short Term Investments	-	-
<b>Total Cash (B)</b>	<b>52,05,993</b>	<b>5,96,104</b>



Short Term Borrowings	1,96,19,212	1,21,58,637
Long Term Borrowings	11,59,99,162	66,33,444
<b>Total Debt (C)</b>	<b>13,56,18,374</b>	<b>1,87,92,081</b>
<b>Net Debt (D)= C-B</b>	<b>13,04,12,381</b>	<b>1,81,95,977</b>
<b>Net Debt to Equity Ratio (E)=</b>	<b>3.7939</b>	<b>0.1145</b>
<b>D/A</b>	<b>3,43,74,000</b>	<b>3,43,74,000</b>

For GHAEL CHOKSI & COMPANY  
CHARTERED ACCOUNTANTS  
FRN : 0153978W

Sd/-  
VIKRANT BIPINCHANDRA GHAEL  
(PARTNER)

Place : SURAT  
Date : 12/05/2022

For SURBHI INDUSTRIES LTD

Sd/-  
RAVJIBHAI P. PATEL  
(DIRECTOR)  
(DIN : 00023332)

Sd/-  
BIPINBHAI J. PATEL  
(DIRECTOR)  
(DIN : 00023447)