

Surabhi

Chemicals & Investments Limited

25th

Annual Report

for the year

2009-10

Regd. Office:

13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395007.

Surabhi Chemicals & Investments Limited

Annual Report 2009-10

BOARD OF DIRECTORS

Mr. Rajen P. Shah

Mrs. Mita R. Shah

Mr. Yatish Parekh

Mr. Ketan M. Jhaveri (w.e.f. 30th July, 2010)

AUDITORS

Messrs Hiren Diwan & Co.,
Chartered Accountants,
Surat.

BANKERS

Bank of Baroda
HDFC Bank Limited

REGISTERED OFFICE

13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395007.

***25th Annual General Meeting
on Thursday, 30th September, 2010 at 11.00 a.m.
at the Registered Office of the company.***

* * * *

SURABHI CHEMICALS & INVESTMENTS LIMITED

13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395007.

NOTICE

NOTICE is hereby given that the Twenty-fifth Annual General Meeting of Surabhi Chemicals & Investments Limited, will be held at the Registered Office of the Company at 13A/266, Ami Bungalow, Umra Police Lane, Athwalines, Surat 395007 on Thursday, 30th September, 2010 at 11.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Mita Shah, who retires by rotation and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following Resolution which will be proposed as an Ordinary Resolution:

"RESOLVED THAT Mr. Ketan M. Jhaveri, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice U/s.257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company."

NOTE:

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll only to vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the meeting.

By Order of the Board,

Sd/-

Director

Place: Surat
Date: 01.09.2010



SURABHI CHEMICALS & INVESTMENTS LIMITED
13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395007.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No.4

Mr. Ketan Jhaveri was appointed as an additional Director by the Board of Directors with effect from 30th July, 2010 in terms of Section 260 of the Companies Act, 1956, he holds office as Director only up to the forthcoming Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received from members signifying their intention to propose his candidature for the office of the Director. The Board considers it desirable that the Company continue to avail of his services, hence the resolution is proposed for acceptance.

Your Directors recommend the resolution for your approval.

Except Mr. Ketan Jhaveri, no other Director is, in any way, concerned or interested in the Resolution.



SURABHI CHEMICALS AND INVESTMENTS LIMITED

Regd. Office: 13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395 007.

DIRECTORS' REPORT

TO THE MEMBERS OF SURABHI CHEMICALS AND INVESTMENTS LIMITED

Your Directors have pleasure in submitting the Twenty Fifth Annual Report of the Company togetherwith audited statements of accounts for the year ended on 31st March 2010.

FINANCIAL PERFORMANCE:

During the year under consideration, your Company has made the financial performance as mentioned below which your Directors hope will be found satisfactory.

	Current Year	Previous Year
Profit / (Loss) before depreciation	422,42,981	(134673)
Less : Depreciation	3,09,634	0
	<u>419,33,347</u>	<u>(134,673)</u>
Less : Prior Period's Adjustment	3,65,371	814,573
Profit for the year before taxation	<u>415,67,976</u>	<u>(949,246)</u>
Less : <u>Income-tax Provision :</u>		
(a) Current Year's Tax	64,07,043	441
(b) Fringe Benefit Tax	0	0
	<u>3,51,60,933</u>	<u>(949,687)</u>
Add : Deferred Tax arise during the year	64,64,885	0
Profit for the year after taxation	<u>416,25,818</u>	<u>(949,687)</u>
Add : Prior Year's Profit & Loss Account Balance	<u>(5,92,224)</u>	<u>357,463</u>
BALANCE CARRIED FORWARD TO BALANCE SHEET.	<u>410,33,594</u>	<u>(592,224)</u>

SURABHI CHEMICALS AND INVESTMENTS LIMITED

Regd. Office: 13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395 007.

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SURABHI CHEMICALS AND INVESTMENTS LIMITED

Regd. Office: 13A/266, 'Ami' Bunglow, Umra Police Lane, Athwalines, Surat 395 007.

BUSINESS AFFAIRS AND PROGRESS:

The Hon'ble members are requested to take note of the above reported results of the company for the year under consideration, As the Hon'ble members are aware, during the year the company earned huge capital gain on sale of shares and mutual funds.

The Hon'ble members are requested to approve the above reported financial performance of the company.

DEPOSITS:

The Company has not accepted any deposits from the public.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iii) the Directors have prepared the annual accounts on a going concern basis.

SURABHI CHEMICALS AND INVESTMENTS LIMITED

Regd. Office: 13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395 007.

PARTICULARS OF EMPLOYEES:

During the financial year, no employee of the Company who;

- (i) being employed through the financial year was in receipt of remuneration for the year of Rs. 24,00,000/- or more.
- (ii) being employed for a part of the financial year was in receipt of remuneration of Rs. 2,00,000/- or more per month, and,
- (iii) being employed throughout the financial year or part thereof was in receipt of remuneration for the year or as the case may be at a rate which is in excess of that drawn by the Managing Director or whole time Director or Manager and holds by himself or along with his spouse and dependent children not less than 2% of Equity Shares of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION,

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(A) CONSERVATION OF ENERGY:

Since the Company is not consuming energy for its operation the question of Conservation of Energy does not arise.

(B) TECHNOLOGY ABSORPTION:

Since the Company is not a manufacturing Company, the question of technology absorption is not relevant for the Company.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the Company has not imported or exported any products or services. Hence, the question of Foreign Exchange does not arise.

SURABHI CHEMICALS AND INVESTMENTS LIMITED

Regd. Office: 13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395 007.

AUDITORS:

You are requested to appoint auditors and to fix their remuneration for the ensuing year. Your Directors inform that M/s. Hiren M. Diwan & Company, Chartered Accountants, Surat, the present auditors of the Company have pursuant to Section 224(1) of the Companies Act, 1956 furnished the certificate regarding their eligibility for appointment.

ACKNOWLEDGEMENTS:

The Directors express their deep appreciation to all the employees of the Company for their outstanding contribution to the operations of the Company during the year.

**FOR AND ON BEHALF OF THE
BOARD OF DIRECTORS**

R.D. Shah

(CHAIRMAN)

PLACE : SURAT

DATE : 21/09/2010

AUDITORS' REPORT

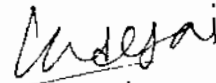
**TO THE MEMBERS OF
SURBHI CHEMICALS AND INVESTMENT LIMITED:**

- (1) We have audited the attached Balance Sheet of **SURBHI CHEMICALS AND INVESTMENT LIMITED** as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- (2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
- (4) Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of the books;

- 2 -

- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of the written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us and together with the notes appended, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
- (ii) in the case of the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date.
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

FOR HIREN M. DIWAN & COMPANY
Chartered Accountants



(TEJAS M. DESAI)
PARTNER

PLACE : SURAT

DATE : 01/09/2010

Membership No. 113760
Firm Reg. No. 303691W

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ANNEXURE TO THE AUDITORS' REPORT:

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS' REPORT
TO THE MEMBERS ON THE ACCOUNTS OF SURABHI CHEMICALS AND
INVESTMENTS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2010:**

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The company had no inventory during the year under review. Accordingly, the provisions of the clauses 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
3. (a) The company has not taken any unsecured loan from other firm / companies and persons covered in the register maintained under section 301 of the Companies Act, 1956. The company has not granted loans to firm and persons covered under register maintained section 301 of the companies Act. There are no companies covered under the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans.

(b) The company has not granted loans to firm and persons covered under register maintained under section 301 of the Companies Act, 1956.

(c) The company has not granted any Loan and therefore the question of repayment does not arise.

(d) There is no overdue amount of loan taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements

- 2 -

entered in the register maintained under section 301 of the companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. The company has not accepted any deposits from the public within the meaning of provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of the cost records under section 209 (1) (d) of the Companies Act, 1956 for any products manufactured by the company.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, custom duty, excise duty and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute.
10. The company does not have accumulated losses as at the year-end. The company has not incurred any cash losses during the financial year covered under audit. The company had incurred cash losses Rs.47093/- in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks and financial institutions. The company has no dues to debenture holders.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

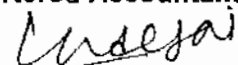
- 3 -

13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of the clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company has maintained proper records of transactions and contracts of dealing in shares, securities, debentures and other investments and timely entries have been made in it. The shares and securities have been held by the company in its own name and in the name of Paami Textile and investments ltd which has been amalgamated from 26/12/2008.
15. According to the information and explanations given to us, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The company has not taken any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for the long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. According to the information and explanations given to us, the company has not made preferential allotment of the shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. However the company has allotted 1,73,100 shares to shares holders of its Subsidiary Company Paami Textiles and Investments Ltd as the same has been amalgamated with Surbhi Chemicals and Investments Ltd. with effect from 26/12/2008.
19. According to the information and explanations given to us, during the period covered by our audit report the company has not issued any debentures and therefore clause (xix) of the said Order is not applicable to the company.
20. The company has not raised monies by public issues and therefore clause (xx) of the said Order is not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE: SURAT

DATE : 21/01/2010

FOR HIREN M. DIWAN & COMPANY
Chartered Accountants



(TEJAS M. DESAI)

PARTNER

Membership No. 113760

Firm Reg. No. 303691W

SURABHI CHEMICALS & INVESTMENTS LTD.

BALANCE SHEET AS AT 31ST MARCH 2010

	SCH- DULE	FIGURES AS AT THE END OF CURRENT FINANCIAL YEAR RS.	FIGURES AS AT THE END OF PREVIOUS FINANCIAL YEAR RS.
<u>SOURCES OF FUNDS:</u>			
1. Shareholders Funds:			
(a) Capital	1	11,731,000	11,731,000
2. Reserve and Surplus	2	129,291,069	87,665,251
	TOTAL	<u>141,022,069</u>	<u>99,396,251</u>

APPLICATION OF FUNDS:

1. FIXED ASSETS:

(a) Gross Block	3	3,886,487	3,886,486
(b) Less : Depreciation	3	<u>397,214</u>	<u>87,580</u>
(c) Net Block	3	3,489,273	3,798,906
2. Investments	4	130,239,264	95,064,925
2 <u>CURRENT ASSETS :</u>			
(a) Debtors	5	17,250	7,712
(b) Loans & Advances	6	6,689,124	355,536
(c) Cash & Bank Balances	7	875,489	402,498
		<u>7,581,863</u>	<u>765,746</u>



Contd...2/-

	SCHE- DULE	FIGURES AS AT THE END OF CURRENT FINANCIAL YEAR RS.	FIGURES AS AT THE END OF PREVIOUS FINANCIAL YEAR RS.
Less : <u>CURRENT LIABILITIES & PROVISIONS:</u>			
(a) Current Liabilities	8	399,115	160,542
(b) Provisions	9	6,407,043	125,726
NET CURRENT ASSETS		<u>775,705</u>	<u>479,478</u>
3 Deferred Tax Asset		6,517,827	52,942
TOTAL		<u><u>141,022,069</u></u>	<u><u>99,396,251</u></u>
		0	0

As per our report of even date

FOR HIREN M. DIWAN & COMPANY
Chartered Accountants

Tejas M. Desai

(TEJAS M. DESAI)
PARTNER

Membership No. 113760
Firm Reg. No. 103691W

R. R. Shah
DATE : 01/09/2010 (MANAGING DIRECTOR)

Mitesh R. Shah
DATE : 01/09/2010 (DIRECTOR)

DATE : 01/09/2010



SURABHI CHEMICALS & INVESTMENTS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010

	SCHEDULE	FIGURES AS AT THE END OF CURRENT FINANCIAL YEAR RS.	FIGURES AS AT THE END OF PREVIOUS FINANCIAL YEAR RS.
INCOME:			
1 Other Income	10	44,975,852	377,681
2 Loss		0	134,673
	TOTAL	44,975,852	512,354
EXPENDITURE:			
1 Administrative Expenses	11	1,530,152	417,923
2 Other Expenses	12	1,202,719	6,851
3 Depreciation	3	309,634	87,580
4 Profit		41,933,347	0
	TOTAL	44,975,852	512,354
		0	0



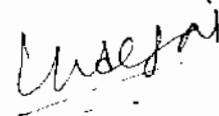
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	SCH- DULE	FIGURES AS AT THE END OF CURRENT FINANCIAL YEAR RS.	FIGURES AS AT THE END OF PREVIOUS FINANCIAL YEAR RS.
PROFIT FOR THE YEAR BEFORE TAXATION		41,933,347	(134,673)
Less : Income Tax Expenses		6,407,043	441
		35,526,304	(135,114)
Add : Deferred Tax Income during the year		6,464,885	0
		41,991,189	(135,114)
Less : Prior year's adjustment (Taxes)		365,371	814,573
		41,625,818	(949,687)
Add : Previous Year's Profit & Loss Account Balance		(592,224)	357,463
BALANCE CARRIED FORWARD TO BALANCE SHEET		41,033,594	(592,224)

CASH FLOW STATEMENT	13
NOTES FORMING PART OF ACCOUNTS	14


As per our report of even date

FOR HIREN M. DIWAN & COMPANY
Chartered Accountants



(TEJAS M. DESAI)
PARTNER

Membership No. 113760
Firm Reg. No. 103691W



DATE : 01/09/2010 (MANAGING DIRECTOR)



DATE : 01/09/2010 (DIRECTOR)

DATE : 01/09/2010



SURABHI CHEMICALS & INVESTMENTS LTD.
SCHEDULES ATTACHED TO AND
FORMING PART OF BALANCE SHEET
AND PROFIT & LOSS ACCOUNT

SCHEDULE : 1

CAPITAL:

1 AUTHORISED CAPITAL:

- 2,000,000 Equity Shares of Rs. 10 each

TOTAL

CURRENT YEAR RS.	PREVIOUS YEAR RS.
20,000,000	20,000,000
20,000,000	20,000,000

**2 ISSUED, SUBSCRIBED, CALLED-UP
AND PAID-UP CAPITAL:**

- 1,173,100 fully paid Equity Shares
of Rs. 10 each out of which 173,100
shares were issued for consideration
other than cash.

TOTAL

11,731,000	11,731,000
11,731,000	11,731,000

SCHEDULE : 2

RESERVES AND SURPLUS:

- 1 Capital Reserve
2 General reserve
3 Profit and Loss Account
4 Profit and Loss Account of amalgamated company
(Paami Textile and Investments Ltd.)

TOTAL

8,767,750	8,767,750
15,323,877	15,323,877
41,033,594	(592,224)
64,165,848	64,165,848
129,291,069	67,665,251



SCHEDULE : 3
FIXED ASSETS:

Description of the Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Deductions	As at	Up to	For the	Deductions	Total up to	As at	As at
	1-Apr-2009			31-Mar-2010	31-Mar-2009	Year	31-Mar-2010	31-Mar-2010	31-Mar-2010	31-Mar-2009
Air Condition	13,222	0	0	13,222	484	1,772	0	2,256	10,966	12,738
Computer	97,970	0	0	97,970	10,307	35,065	0	45,372	52,598	87,663
Vehicle	991,901	0	0	991,901	67,543	239,316	0	306,859	685,042	924,358
Furniture & Equipments	136,153	0	0	136,153	6,482	23,470	0	29,952	106,201	129,671
Generating Set	861	0	0	861	31	115	0	146	715	830
Office Renovation	57,407	0	0	57,407	2,733	9,896	0	12,629	44,778	54,674
Saputara Guest House	2,490,973	0	0	2,490,973	0	0	0	0	2,490,973	2,490,973
Television	98,000	0	0	98,000	0	0	0	0	98,000	98,000
TOTAL	3,886,487	0	0	3,886,487	87,580	309,634	0	397,214	3,489,273	3,798,907
PREVIOUS YEARS TOTAL	0	3,886,487	0	3,886,487	0	87,580	0	87,580	3,798,907	0



SCHEDULE : 4
INVESTMENTS:

- 1 Quoted Investments
- 2 Other Investments

<u>CURRENT</u> <u>YEAR</u> <u>RS.</u>	<u>PREVIOUS</u> <u>YEAR</u> <u>RS.</u>
126,761,654	91,048,732
3,477,610	4,016,193
130,239,264	95,064,925

TOTAL

NOTE : The above Investments have been valued at Cost.

SCHEDULE : 5
SUNDRY DEBTORS:

(Unsecured and Considered Good:)

- 1 Debts outstanding for a period exceeding six months
- 2 Other Debts
 - From Directors
 - Others

0	7,712
12,750	0
4,500	0
17,250	7,712

TOTAL

SCHEDULE : 6
LOANS & ADVANCES:

(Unsecured and Considered Good:)

- 1 Advance Tax and TDS
- 2 Loans and Deposits

6,500,000	42,000
189,124	313,536
6,689,124	355,538

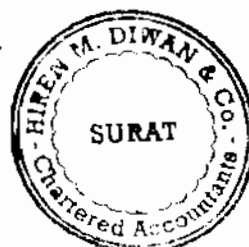
TOTAL

SCHEDULE : 7
CASH & BANK BALANCES:

- 1 Cash on Hand
- 2 Bank balance with:
 - Bank of Baroda C/A - Surat
 - Bank of Baroda A/c. - 5720
 - HDFC Bank A/c. No. - 951
 - HDFC Bank Current A/c.
 - HDFC Bank Saving A/c.
 - BOB Guarantee Margin
 - Bank of Baroda Divd (1994-95) A/c
 - Allahabad Bank Divd (1995-96) A/c
 - Bank of Baroda Divd (1996-97) A/c

23,295	19,389
11,579	8,661
16,387	37,012
13,562	3,747
796,658	288,158
14,008	24,672
0	4,500
0	5,180
0	5,780
0	5,399
875,489	402,498

TOTAL



SCHEDULE : 8**CURRENT LIABILITIES:**

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
1 Outstanding Audit and Legal Fees	226,115	159,542
2 Gratuity Payable	173,000	0
3 Legal Fees Payable	0	1,000
TOTAL	399,115	160,542

SCHEDULE : 9**PROVISIONS:**

1 Income-tax Provisions		
A.Y. 2010 - 2011	6,407,043	0
A.Y. 2009 - 2010	0	125,726
TOTAL	6,407,043	125,726

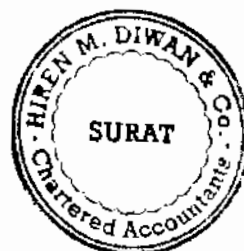


SCHEDULE : 10
OTHER INCOME:

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
Dividend From Mutual Fund	1,769,007	340,208
Dividend on Shares	67,573	25,164
Long Term Profit On Mutual Fund	23,155,559	8,026
Short Term Profit On Mutual Fund	64,331	4,283
Long Term Profit On Shares	19,454,804	0
Short Term Profit On Shares	462,778	0
Interest	1,800	0
TOTAL	44,975,852	377,681

SCHEDULE : 11
ADMINISTRATIVE EXPENSES:

Advertisement Expense	118,997	132,999
Listing and Filing Fees	84,710	500
Audit and Legal Fees	249,588	31,075
Director's Fees	6,000	6,000
Office Expense	22,173	5,437
Professional Fees	245,950	51,986
Professional Tax	2,800	1,600
Registration Fees	36,030	25,820
Salary Expenses	375,400	133,400
Bank Charges	2,707	197
Mobile Expenses	6,604	2,178
Motor Car Expenses	35,450	24,600
Travelling Expenses	9,990	664
Demat Charges	17,282	0
Rent Expenses	4,200	0
Insurance Expenses	22,089	0
Security Transaction Tax	98,702	0
Computer Expenses	980	0
Accounting Charges	12,000	0
Certification Fees	5,500	0
Gratuity Expenses	173,000	0
Stationary and Printing Expenses	0	1,367
Conveyance Expenses	0	100
TOTAL	1,530,152	417,923



SCHEDULE : 12

OTHER EXPENSES:

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
Saputara Guest House Expenses	9,664	6,851
Bad Debts	67,000	0
Discount Expenses	60,673	0
Long Term Loss on Mutual Fund	988,252	0
Loss from Partnership Firm	60,771	0
Loss on sale of Assets	0	0
Miscellaneous Expenses	16,359	0
TOTAL	1,202,719	6,851



SCHEDULE : 13**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH 2010**

	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
I	<u>Cash Flow from Operating Activities :</u>		
		41,933,347	
	Net Profit Before Tax and Extraordinary items		
	<u>Items considered separately:</u>		
Add :	309,634		
Depreciation			
Add :	6,464,885		
Deffered Tax Income			
Less :	365,369		
Prior Period Expenses			
Less :	43,987,600	(37,578,450)	
Investment Income			
Operating Profit before Working Capital Changes		4,354,897	
	<u>Adjustments for :</u>		
Add :	238,573		
Increase in Current Liabilities			
Add :	6,281,317		
Increase in Provisions		6,519,890	
Less :	9,538		
Increase in Debtors			
Less :	6,464,885		
Increase in Deferred Tax Assets			
Add :	6,333,588		
Increase in Loan & Advances		(12,808,011)	
Net Cash Flow from Operating activities			(1,933,224)
Less :			6,407,043
Income Tax Paid			(8,340,267)
II	<u>Cash Flow from Investing Activities :</u>		
Add :		95,533,607	
Sales of Invetments			
Add :		538,583	
Received From Miraj Investments			
Less :		89,097,312	
Purchase of Investments			
Add :		1,800	
Interest Received			
Add :		1,836,580	
Dividend received in cash			
Net Cash Flow from Investing activities			8,813,258
III	<u>Cash Flow from Financing Activities :</u>		
Net Cash Flow from Financing activities			0
Net Inceace/Decrease in Cash and Cash Equivalents			472,991
Add :			402,498
Opening Balance of Cash and Cash Equivalents			
Closing Balance of Cash and Cash Equivalents			875,489



SCHEDULE : 14**NOTES FORMING PART OF ACCOUNTS :**1. Significant Accounting Policies:

- (a) The Gross Block of Fixed Assets is stated at Cost.
- (b) Depreciation on Fixed Assets has been provided at the rates specified in Schedule XIV of the Companies Act, 1956 on written down value method except on Saputara Guest House and Television Set.
- (c) Income & Expenditure are recognised on Mercantile basis.

2. Investment have been stated at Cost

3. Taxes on Income :(a) Current Tax :

Provision for income tax is determined in accordance with the provisions of the Income Tax Act, 1961.

(b) Deferred Tax Liability :

The difference that results between the profit offered for Income Tax and the profit as per the Financial Statements are identified and thereafter, a deferred tax asset or deferred tax liability is recorded for timing difference, namely the difference that originate in one accounting period and reversed in another based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on the prevailing enacted or substantially enacted regulations. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective value at each balance sheet date.

5. (a) The effect of significant timing differences that result in deferred tax assets and liabilities as at the end of the year are given below:

	Particulars	Amount (Rs.)
(i)	Deferred Tax Asset as on 01-04-2009	52,942
(ii)	Deferred Tax Asset on account of MAT credit during the year.	6,464,885
	NET DEFERRED TAX ASSET	6,517,827

- 6 The company has not dematerialised following shares in its Demat Account. In this regard reliance is placed on the certificate issued by the management to the effect that the said shares are held in physical form and that they are lying in the safe custody of the management.

Cont'd. 2/-



<u>Sr. No.</u>	<u>Name of Company</u>	<u>Nos of Shares</u>	<u>Amount (Rs.)</u>
1	Core Parental	500	15,000
2	Harr. Malayalam	320	10,240
3	Indian Hotel	500	270,366
4	Kanoria Industries	500	5,250
5	Simplex	515	24,983
6	Suzlon Fibres Ltd.	400	6,000
7	Western Paques	800	5,720
8	Wipro Industries	1	500

7 Paami Textile and Investments Ltd. has been amalgated with the company on and from 26/12/2008 in terms of the Order of the Honourable Gujarat High Court dated 14/10/2008, However the company has continued to hold the demat accout and the bank account in the name of Paami Textile and Investments Ltd. for the shares and the funds respectively belonging to the erstwhile Paami Textile and Investments Ltd. which has got amalgated with the company on and from 26/12/2008. All the entries of these demat account and bank account have been accounted for in the books of the company i.e Surbhi Chemicals and investments ltd

<u>Details of payments made to Auditors:</u>		<u>Current Year</u>	<u>Previous Year</u>
(a)	As Auditor	25,000	15,000
(b)	<u>As Advisor or in any other capacity in respect of:</u>		
	i) Taxation Matter	175,000	5,000
	ii) Company Law Matters	0	0
	III) Certification	5,000	5,000
(c)	Other Matter (Certification Fees & Service Charges)	21,115	2,575
TOTAL		226,115	27,575

9 Disclosure of relationship and transaction with the related parties as defined in Accounting Standards 18 issued by The Institute of Chartered Accountants of India is as under

(A) Name of the related parties and description of relationship:

(i) Key Management Personnel:

- Mr. Rajen P. Shah
- Mrs. Mita R. Shah
- Mr. Yatish Parekh

(ii) Relatives:

- Prakash Shah - HUF
- Rajen P. Shah - HUF



B Details of Transactions:

	Particulars of Transaction	Related parties where control exists	Key Management Personnel	Relatives
(i)	<u>Director's Fees:</u>			
	Mr. Rajen P. Shah	-	2,000	-
	Mrs. Mita R. Shah	-	2,000	-
	Mr. Yatish Parekh	-	2,000	-
(ii)	<u>Sale of Assets:</u>			
	Rajen P. Shah - HUF	-	-	4,500
	Rajen P. Shah	-	12,750	

9 There are no reportable segment as per Accounting Standard 17 issued by the ICAI on "Segment Reporting"

10 Earning per Share (AS - 20)

<u>Details</u>	<u>Current Year</u>	<u>Previous Year</u>
(a) Weighted average no. of shares outstanding	1,173,100	1,173,100
(b) Net Profit / (loss) available to Equity Share Holders	41,625,818	(949,687)
(c) Basic and diluted EPS	[(b) / (a)]	<u>NIL</u>

11 The Equity shares of the Company are listed on the following Stock Exchange and the Company has duly paid the requisite amount of annual listing fees for the year 2009-2010 to both the Exchange.

(a) The Stock Exchange - Ahmedabad.
Kamdhenu Complex, Opp. Sahajanand College,
Pangrapole, Ahmedabad - 15

(b) The Stock Exchange - Mumbai.
Phiroz Jeejeebhoy Tower,
Dalal Street - Mumbai - 01.

12 Previous year's figures have been regrouped and recast wherever necessary to make them comparable with current year's figure.

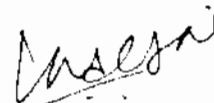


Cont'd 4/-

SIGNATURES TO SCHEDULES 1 TO 14:

As per our report of even date

FOR HIREN M. DIWAN & COMPANY
Chartered Accountants



(TEJAS M. DESAI)

PARTNER

Membership No. 113760

Firm Reg. No. 103691W

R. S. Shah
DATE : 01/09/2010 (MANAGING DIRECTOR)

Mital R. Shah
DATE : 01/09/2010 (DIRECTOR)

DATE : 01/09/2010



SURABHI CHEMICALS & INVESTMENTS LIMITED

Regd. Office: 13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395007.

ANNUAL GENERAL MEETING

PROXY FORM

I/We of
.....being a member(s) of the above
named Company, hereby appoint of
..... or failing him
..... of as my/our proxy
and to vote for me/us on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING to be
held on Thursday, 30th September, 2010 at 11.00 a.m. or at any adjournment thereof.

Ledger Folio No.

DP ID * :

Client ID * :

No. of Shares held

Signed this day of, 2010.

Please
Affix
Re.0.15
Revenue
Stamp

(Signature of the Member)

* Applicable for the members holding shares in electronic form.

Note: This form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

.....TEAR HERE.....

SURABHI CHEMICALS & INVESTMENTS LIMITED

Regd. Office: 13A/266, 'Ami' Bungalow, Umra Police Lane, Athwalines, Surat 395007.

ATTENDANCE SLIP

TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL

Full Name of the Member attending
(IN BLOCK LETTERS)

Full Name of the first joint-holder
(IN BLOCK LETTERS) (To be filled in if first named joint-holder does not attend the meeting)

Full Name of the Proxy
(IN BLOCK LETTERS) (To be filled in if Proxy attends instead of the Member)

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company
at 13A/266, Ami Bungalow, Umra Police Lane, Athwalines, Surat 395007, on Thursday, 30th
September, 2010 at 11.00 a.m.

Ledger Folio No.

DP ID * :

Client ID * :

No. of Shares held

Member's / Proxy's Signature

(To be signed at the time of handing over this slip)

* Applicable for the members holding shares in electronic form.