

# **SURABHI CHEMICALS & INVESTMENTS LTD**

**13A/266, AMI BUNGLOW, UMRA POLICE LANE, ATHWALINES, SURAT 395007**

**ANNUAL REPORT 2011-12**

**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 31<sup>st</sup> March 2012, 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 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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 31<sup>st</sup> March, 2012 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 : 21/05/12

Membership No. 113760  
Firm Reg. No. I-03691W

**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 31<sup>ST</sup> MARCH, 2012:**

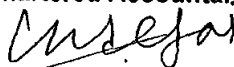
1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The company had no inventory during the year under review. Accordingly, the provisions of the clauses 4(ii)(a), (b) and (c) of the Companies (Auditor's Report) Order, 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 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 31<sup>st</sup> March 2012 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.
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.

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.

**FOR HIREN M. DIWAN & COMPANY**  
Chartered Accountants



(TEJAS M. DESAI)  
PARTNER

Membership No. 113760  
Firm Reg. No. 03691W

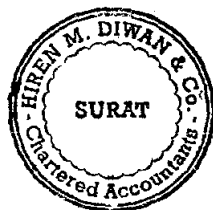
PLACE: SURAT

DATE : 21/05/12

# SURABHI CHEMICALS & INVESTMENTS LTD.

## BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No.	FIGURES AS AT THE END OF CURRENT FINANCIAL YEAR Rs.	FIGURES AS AT THE END OF PREVIOUS FINANCIAL YEAR Rs.
<b>A EQUITY AND LIABILITIES :</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	11,731,000	11,731,000
(b) Reserves and surplus	4	148,134,374	138,691,944
(c) Money received against share warrants			
		<u>159,865,374</u>	<u>150,422,944</u>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)		-	-
(c) Other long-term liabilities		-	-
(d) Long-term provisions		-	-
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	3,511,111	4,298,361
(b) Trade payables		-	-
(c) Other current liabilities	6	120,412	122,433
(d) Short-term provisions	7	190,300	989,487
		<u>3,821,823</u>	<u>5,410,281</u>
<b>TOTAL</b>		<u><b>163,687,197</b></u>	<u><b>155,833,225</b></u>
<b>B ASSETS :</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale	2.7	2,490,973	2,490,973
		<u>2,490,973</u>	<u>2,490,973</u>
(b) Non-current investments	8	82,149	459,044
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	9	7,208,197	7,032,685
(e) Other non-current assets		-	-
		<u>7,290,346</u>	<u>7,491,729</u>



Cont'd...2/-

**2 Current assets**

(a) Current investments	10	150,138,752	142,633,891
(b) Inventories			
(c) Trade receivables			
(d) Cash and cash equivalents	11	3,749,214	970,798
(e) Short-term loans and advances	12	16,124	2,245,834
(f) Other current assets	13	1,787	-
		<u>153,905,878</u>	<u>145,850,523</u>

<b>TOTAL</b>		<u><u>163,687,197</u></u>	<u><u>155,833,225</u></u>
		0	0

See accompanying notes forming part of the financial statements

In terms of our report attached.

For HIREN M. DIWAN & COMPANY  
Chartered Accountants

*Tejas M. Desai*

(TEJAS M. DESAI)

PARTNER

Membership No.: 113760

Firm Registration No.: 103691W

For and on behalf of the Board of Directors

*R. P. Shah*

Managing Director

*Mita R. Shah*

Company Secretary

*Mita R. Shah*

Director

Place: Surat

Date: 21/05/12

Place: Surat

Date: 21/05/12





# SURABHI CHEMICALS & INVESTMENTS LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH, 2012

Particulars	Note No.	FOR THE YEAR FOR THE YEAR	
		ENDED NO 31st MARCH, 2012	ENDED ON 31st MARCH, 2011
		Rs.	Rs.
<b>A CONTINUING OPERATIONS :</b>			
1 Revenue from operations (gross)		-	-
Less: Excise duty		-	-
Revenue from operations (net)		-	-
2 Other income	14	12,039,174	12,549,926
<b>3 TOTAL REVENUE (1+2)</b>		<b>12,039,174</b>	<b>12,549,926</b>
4 Expenses			
(a) Cost of materials consumed		-	-
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
(d) Employee benefits expense	15	587,000	397,700
(e) Finance costs		-	-
(f) Depreciation and amortisation expense		-	82,220
(g) Other expenses	16	1,899,986	1,308,039
<b>TOTAL EXPENSES</b>		<b>2,486,986</b>	<b>1,787,959</b>
<b>5 PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (3 - 4)</b>		<b>9,552,188</b>	<b>10,761,967</b>
6 Exceptional items		-	-
<b>7 PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (5 ± 6)</b>		<b>9,552,188</b>	<b>10,761,967</b>
8 Extraordinary items		-	-
<b>9 PROFIT BEFORE TAX (7 ± 8)</b>		<b>9,552,188</b>	<b>10,761,967</b>
10 Tax expense:			
(a) Current tax expense for current year		24,744	1,607,837
(b) (Less): MAT credit (where applicable)		24,744	(514,858)
(c) Current tax expense relating to prior years		60,270	268,113
(d) Net current tax expense		-	1,361,092
(e) Deferred tax		-	-
<b>11 PROFIT FROM CONTINUING OPERATIONS (9 ± 10)</b>		<b>9,442,430</b>	<b>9,400,875</b>



Cont'd...2/-

SURABHI CHEMICALS & INVESTMENTS LTD.STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31 MARCH, 2012

Particulars	Note No.	FOR THE YEAR	
		ENDED ON 31st MARCH, 2012	ENDED ON 31st MARCH, 2011
		Rs.	Rs.
<b>B DISCONTINUING OPERATIONS :</b>			
12.i Profit / (Loss) from discontinuing operations. (before tax)		-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
<b>13 PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS (12.i + 12.ii + 12.iii)</b>		-	-
<b>C TOTAL OPERATIONS</b>		9,442,430	9,400,875
<b>14 PROFIT FOR THE YEAR (11 + 13)</b>		<u>9,442,430</u>	<u>9,400,875</u>
<b>15.i Earnings per share (of Rs.10/- each) :</b>			
(a) Basic			
(i) Continuing operations	2.9	8.05	8.01
(ii) Total operations	2.9	8.05	8.01
(b) Diluted			
(i) Continuing operations		-	-
(ii) Total operations		-	-
<b>15.ii Earnings per share (excluding extraordinary items) (of Rs.10/- each):</b>			
(a) Basic			
(i) Continuing operations	2.9	-	8.01
(ii) Total operations	2.9	8.05	8.01
(b) Diluted			
(i) Continuing operations		-	-
(ii) Total operations		-	-



Cont'd... 3/-

See accompanying notes forming part of the financial statements

In terms of our report attached

For HIREN M. DIWAN & COMPANY  
Chartered Accountants

*Tejas M. Desai*  
(TEJAS M. DESAI)  
PARTNER

Membership No.: 113760  
Firm Registration No.: 103691W

For and on behalf of the Board of  
Directors

*RPS Shah*      *Mitesh R Shah*  
Managing Director      Director

*Jigankumar*  
*Jigankumar*  
Company Secretary

Place : Surat  
Date : 21/05/12

Place : Surat  
Date : 21/05/12



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

Cash Flow Statement for the year ended on 31 March, 2012

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before extraordinary items and tax	-	9,552,188		10,761,967
<i>Adjustments for:</i>				
Depreciation and amortisation	-		82,220	
Provision for impairment of fixed assets and intangibles	-		-	
Amortisation of share issue expenses and discount on shares	-		-	
(Profit) / loss on sale / write off of assets	-		(357,915)	
Expense on employee stock option scheme	-		-	
Finance costs	-		-	
Interest income	-		(7)	
Dividend income	(10,583,599)		(3,181,219)	
Net (gain) / loss on sale of investments	(1,455,576)		(9,010,785)	
Rental income from investment properties	-		-	
Rental income from operating leases	-		-	
Share of profit from partnership firms	-		-	
Share of profit from AOPs	-		-	
Share of profit from LLPs	-		-	
Liabilities / provisions no longer required written back	-		-	
Adjustments to the carrying amount of investments	324,570		-	
Provision for losses of subsidiary companies	-		-	
Provision for doubtful trade and other receivables, loans & advances	-		-	
Provision for estimated loss on derivatives	-		-	
Provision for warranty	-		-	
Provision for estimated losses on onerous contracts	-		-	
Provision for contingencies	-		-	
Other non-cash charges (specify)	-		-	
Net unrealised exchange (gain) / loss	-		-	
		(11,714,604)		(12,467,706)



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Operating profit / (loss) before working capital changes		(2,162,416)		(1,705,739)
<u>Changes in working capital:</u>				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-			
Trade receivables	-			
Short-term loans and advances	2,229,710			
Long-term loans and advances	(175,512)		5,185,142	
Other current assets	(1,787)		(2,039,460)	
Other non-current assets	-			
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-			
Other current liabilities	(2,021)		(103,682)	
Other long-term liabilities	-			
Short-term provisions	(799,187)		(4,790,556)	
Long-term provisions	-			
		1,251,203		(1,748,556)
Cash flow from extraordinary items		(911,213)		(3,454,295)
Cash generated from operations		-		-
Net income tax (paid) / refunds		(911,213)		(3,454,295)
		109,758		1,361,092
		(1,020,971)		(4,815,387)
<b>Net cash flow from / (used in) operating activities (A)</b>		<b>(1,020,971)</b>		<b>(4,815,387)</b>



Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Amount	Amount	Amount	Amount
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-	-	-	-
Proceeds from sale of fixed assets	-	-	1,273,995	-
Inter-corporate deposits (net)	-	-	-	-
Bank balances not considered as Cash and cash equivalents				
- Placed	-	-	-	-
- Matured	-	-	-	-
Current investments not considered as Cash & cash equivalents				
- Purchased	(146,675,640)	-	(165,806,059)	-
- Proceeds from sale	145,709,445	-	161,963,173	-
Purchase of long-term investments				
- Subsidiaries	-	-	-	-
- Associates	-	-	-	-
- Joint ventures	-	-	-	-
- Business units	-	-	-	-
- Others	-	-	-	-
Proceeds from sale of long-term investments				
- Subsidiaries	-	-	-	-
- Associates	-	-	-	-
- Joint ventures	-	-	-	-
- Business units	-	-	-	-
- Others	1,427,823	-	-	-
Loans given				
- Subsidiaries	-	-	-	-
- Associates	-	-	-	-
- Joint ventures	-	-	-	-
- Others	-	-	-	-
Loans realised				
- Subsidiaries	-	-	-	-



Cont'd. 4/-

# SURABHI CHEMICALS AND INVESTMENTS LTD.

## Notes : 1

### Corporate information

The company is engaged in the activity of investments in shares and securities and the registered office of the company is - 13A/266, Ami Bunglows, Umra Police Lane, Athwa Lines, Surat - 395007

## Notes : 2

### NOTES FORMING PART OF ACCOUNTS :

#### I Significant Accounting Policies:

##### (a) Basis of Accounting

Final Accounts have been prepared on Historical Cost Convention based on Accrual System of Accounting in accordance with the provisions of Companies Act,1956 and generally accepted accounting principals in India and compaly with accounting standards prescribed in the Companies (Accounting Standard Rule )2006 issued by Central Government to the extent applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year .

##### Using of Estimates

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

##### (b) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

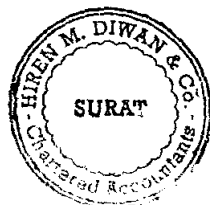
##### (c) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

##### (d) Depreciation

Depreciation on fixed assets has been provided on Written Down Value method at the rates prescribed in Schdule XIV of the Companies Act,1956.

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(e) **Revenue Recognition**

Income and expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sales transaction is recognized as and when the significant risk and reward attached to ownership in goods is transferred to the buyer. However leave with wages and bonus are accounted on cash basis

- Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(f) **Fixed Assets**

Fixed assets have been stated at cost less accumulated Depreciation. Cost includes freight and other incidental expenses directly related to acquisition of assets or construction of assets. Borrowing Cost directly attributable to acquisition or construction of those fixed assets which necessarily take substantial period of time to get ready for their intended use are capitalised, taking into account amount outstanding and rate of interest. Self constructed assets are included in the gross book value are costs of construction that relate directly to the specific asset and costs that are attributable to the construction activity in general and can be allocated to the specific asset.

(g) **Borrowing Cost**

Borrowing cost directly attributable to the acquisition/construction of qualifying assets are capitalised as part of the cost of those assets. A qualifying assets is one that takes substantial period of time to get ready for intended use. Other borrowing costs are recognised as an expenses in the year in which they are incurred.

(h) **Investments**

Current investments have been stated at lower of cost or fair value as on the balance sheet date, any reduction to fair value and any reversals of such reductions are included in the profit and loss statement.

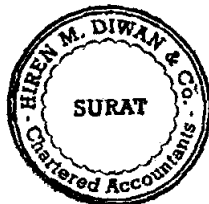
Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline

(i) **Foreign Currency Transaction**

Transaction denominated in foreign currency are recorded at exchange rate prevailing on the date of transactions. Exchange Difference arising on foreign exchange transaction settled during the year are recognised in the profit and loss

Foreign currency monetary items are converted into Rupee equivalent, at the exchange rates prevailing at the balance sheet date. Non Monetary items are carried at historical cost denominated in foreign currency and reported using exchange rate at the date of transaction

Cont'd... 3/-





(j) Employee Benefit

Short term benefits and post employment benefits are accounted in the period during which the services have been rendered.

(k) Impairment of Assets

In accordance with AS 28 -" Impairments of Assets ", Where there is an indication of impairment of Company's assets, the carrying amounts of the Company's assets is reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount is estimated as higher of net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from their disposal at the end of thier future life. An impairment loss is recognized whenwver the carrying amount of an asset or cash generating unit exceeds its recoverable amount. Impairment loss is recognized in the porfit and loss account or against revaluation surplus,where applicable

(l) Taxes on Income :

Current Tax :

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

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 recongnized 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.

Minimum Alternate Tax

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

Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(m) Provisions and Contingent Liability

Provisons involving substantial degree of estimation in measurement are recognised when there is present obligation as result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial stement. Provisions, Contingent liability and contingent assets are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Cont'd... 4/-



(n) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

(o) Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

II NOTES ON ACCOUNTS

- 1 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
- Mr. Ketan Jhaveri



Cont'd... 5/-

(ii) Relatives:

- Rajen P. Shah - HUF
- Archita R. Shah

**B Details of Transactions:**

	Particulars of Transaction	Related parties where control exists	Key Management Personnel	Relatives
(i)	<u>Director's Fees:</u>			
	<u>Current Year :</u>			
	Mr. Rajen P. Shah	-	2,000	-
	Mrs. Mita R. Shah	-	2,000	-
	Mr. Yatish Parekh	-	2,000	-
	Mr. Ketan M. Jhaveri	-	2,000	-
	<u>Previous Year :</u>			
	Mr. Rajen P. Shah	-	1,500	-
	Mrs. Mita R. Shah	-	1,500	-
	Mr. Yatish Parekh	-	1,500	-
	Mr. Ketan M. Jhaveri	-	1,000	-
(ii)	<u>Salary:</u>			
	Mrs. Mita R. Shah	-		-
	<u>Current year :</u>		180,000	
	<u>Previous Year :</u>		180,000	
(iii)	<u>Sale of Assets :</u>			
	Current Year :			Nil
	Previous Year			
	Rajen P Shah HUF			2,067,290
	Archita R Shah			657,920

**C Balance outstanding at the end of the year :**

	Particulars	Related parties where control exists	Key Management Personnel	Relatives
(i)	<u>Borrowings</u>			
	<u>Rajen P Shah</u>			
	31/3/2012	-	3,511,111	-
	31/3/2011	-	4,298,361	-
(ii)	<u>Loan and Advances</u>			
	<u>Rajen P Shah HUF</u>			
	31/3/2012	-	-	-
	31/3/2011	-	-	1,571,790
	<u>Archita Shah</u>			
	31/3/2012	-	-	-
	31/3/2011	-	-	657,920

Contd... 6/-



- 2 No depreciation has been provided on building at saputara as the same has not been used for any business purpose.
- 3 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.

<u>Sr. No.</u>	<u>Name of Company</u>	<u>Nos of Shares</u>	<u>Amount (Rs.)</u>
1	Bhagalkot Cement Ltd	5	42
2	Bhagalkot Udhyog Ltd.	500	4,166
3	Harrison Malayam Ltd	320	5,120
4	Kanoria Sugar and General Mfg Ltd	125	1,042
5	Sentinel Tea and Exports Ltd.	320	5,120
6	Tata Motors Ltd.	1,180	64,971

- 4 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,mutual funds 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.
- 5 There are no reportable segment as per Accounting Standard 17 issued by the ICAI on "Segment Reporting"
- 6 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 2011-2012 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.



Cont'd... 7/-

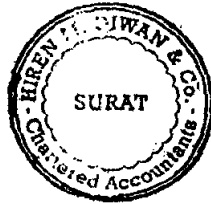
7 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

Name of the party	Relationship	Amount outstanding as at 31 March, 2012	Maximum balance outstanding during the year
		NIL	NIL

Details of fixed assets held for sale	As at 31 March, 2012	As at 31 March, 2011
	Amount	Amount
Building	2,490,973	2,490,973
Plant and machinery	-	-
Office equipment	-	-
Vehicles	-	-
Others (give details)	-	-
<b>Total</b>	<b>2,490,973</b>	<b>2,490,973</b>

8 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

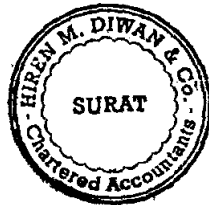


Cont'd... 8/-

9 Earning Per Share :

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
<b>Earnings per share</b>		
<u>Basic</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	9,442,430	9,400,875
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	9,442,430	9,400,875
Weighted average number of equity shares	1,173,100	1,173,100
Par value per share	10	10
Earnings per share from continuing operations - Basic	8.05	8.01
<u>Total operations</u>		
Net profit / (loss) for the year	9,442,430	9,400,875
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders	9,442,430	9,400,875
Weighted average number of equity shares	1,173,100	1,173,100
Par value per share	10	10
Earnings per share - Basic	8.05	8.01
<u>Basic (excluding extraordinary items)</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	9,442,430	9,400,875
(Add) / Less: Extraordinary items (net of tax) relating to continuing operations	-	-
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	9,442,430	9,400,875
Weighted average number of equity shares	1,173,100	1,173,100
Par value per share	10	10
Earnings per share from continuing operations, excluding extraordinary items - Basic	8.05	8.01
<u>Total operations</u>		
Net profit / (loss) for the year	9,442,430	9,400,875
(Add) / Less: Extraordinary items (net of tax)	-	-
Less: Preference dividend and tax thereon	-	-

Cont'd... 9/-

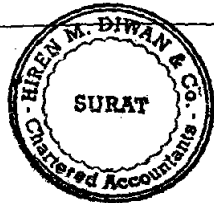


Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	9,442,430	9,400,875
Par value per share	1,173,100	1,173,100
Earnings per share, excluding extraordinary items - Basic	10	10
	8.05	8.01
<u>Diluted</u>		
The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.	-	-
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations		
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	-	-
Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	-	-
Weighted average number of equity shares for Basic EPS	-	-
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	-	-
Par value per share	-	-
Earnings per share, from continuing operations - Diluted	-	-
<u>Total operations</u>		
Net profit / (loss) for the year		
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders	-	-
Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
Profit / (loss) attributable to equity shareholders (on dilution)	-	-
Weighted average number of equity shares for Basic EPS	-	-

Cont'd... 10/-



Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	-	-
Par value per share	-	-
Earnings per share - Diluted	-	-
<u>Diluted (excluding extraordinary items)</u>		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	-	-
(Add) / Less: Extraordinary items (net of tax)	-	-
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	-	-
Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
Profit / (loss) from continuing operations attributable to equity shareholders (on dilution)	-	-
Weighted average number of equity shares for Basic EPS	-	-
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	-	-
Par value per share	-	-
Earnings per share, from continuing operations, excluding extraordinary items - Diluted	-	-
	-	-
<u>Total operations</u>		
Net profit / (loss) for the year	-	-
(Add) / Less: Extraordinary items (net of tax)	-	-
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	-	-
Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
Profit / (loss) attributable to equity shareholders (on dilution)	-	-
Weighted average number of equity shares for Basic EPS	-	-
Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
Weighted average number of equity shares - for diluted EPS	-	-
Par value per share	-	-
Earnings per share, excluding extraordinary items - Diluted	-	-





NOTE : 3  
SHARE CAPITAL

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised				
Equity shares of Rs. 10 each with voting rights	2,000,000	20,000,000	2,000,000	20,000,000
Equity shares of Rs. Nil each with differential voting rights	-	-	-	-
Compulsorily convertible preference shares of Rs. Nil each	-	-	-	-
Optionally convertible preference shares of Rs. Nil each	-	-	-	-
Redeemable preference shares of Rs. Nil each	-	-	-	-
(b) Issued				
Equity shares of Rs. 10 each with voting rights	1,173,100	11,731,000	1,173,100	11,731,000
Equity shares of Rs. Nil each with differential voting rights	-	-	-	-
Compulsorily convertible preference shares of Rs. Nil each	-	-	-	-
Optionally convertible preference shares of Rs. Nil each	-	-	-	-
Redeemable preference shares of Rs. Nil each	-	-	-	-
(c) Subscribed and fully paid up				
Equity shares of Rs. 10 each with voting rights	1,173,100	11,731,000	1,173,100	11,731,000
Equity shares of Rs. Nil each with differential voting rights	-	-	-	-
Compulsorily convertible preference shares of Rs. Nil each	-	-	-	-
Optionally convertible preference shares of Rs. Nil each	-	-	-	-
Redeemable preference shares of Rs. Nil each	-	-	-	-
(d) Subscribed but not fully paid up				
Equity shares of Rs. Nil each with voting rights, Rs. Nil not paid up	-	-	-	-



Cont'd..2/-

Equity shares of Rs. Nil each with voting rights, Rs. Nil not paid up	-	-	-	-
Equity shares of Rs. Nil each with differential voting rights, Rs. Nil not paid up	-	-	-	-
Equity shares of Rs. Nil each with differential voting rights, Rs. Nil not paid up	-	-	-	-
Compulsorily convertible preference shares of Rs. Nil each, Rs. Nil not paid up	-	-	-	-
Compulsorily convertible preference shares of Rs. Nil each, Rs. Nil not paid up	-	-	-	-
Optionally convertible preference shares of Rs. Nil each, Rs. Nil not paid up	-	-	-	-
Optionally convertible preference shares of Rs. Nil each, Rs. Nil not paid up	-	-	-	-
Redeemable preference shares of Rs. Nil each, Rs. Nil not paid up	-	-	-	-
Redeemable preference shares of Rs. Nil each, Rs. Nil not paid up	-	-	-	-
<b>Total</b>	<b>1,173,100</b>	<b>11,731,000</b>	<b>1,173,100</b>	<b>11,731,000</b>



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 3  
SHARE CAPITAL**

Sr. No.	Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes	Closing Balance
1	Equity shares with voting rights								
	Year ended 31 March, 2012								
	- Number of shares	1,173,100	-	-	-	-	-	-	1,173,100
	- Amount Rs.	11,731,000	-	-	-	-	-	-	11,731,000
	Year ended 31 March, 2011								
	- Number of shares	1,173,100	-	-	-	-	-	-	1,173,100
	- Amount Rs.	11,731,000	-	-	-	-	-	-	11,731,000
2	Equity shares with differential voting rights								
	Year ended 31 March, 2012								
	- Number of shares	-	-	-	-	-	-	-	-
	- Amount Rs.	-	-	-	-	-	-	-	-
	Year ended 31 March, 2011								
	- Number of shares	-	-	-	-	-	-	-	-
	- Amount Rs.	-	-	-	-	-	-	-	-
3	Compulsorily convertible preference shares								
	Year ended 31 March, 2012								
	- Number of shares	-	-	-	-	-	-	-	-
	- Amount Rs.	-	-	-	-	-	-	-	-



Cont'd..2/-

	Year ended 31 March, 2011 - Number of shares - Amount Rs.	-	-	-	-	-	-	-	-
4	Optionally convertible preference shares								
	Year ended 31 March, 2012 - Number of shares - Amount (₹)	-	-	-	-	-	-	-	-
	Year ended 31 March, 2011 - Number of shares - Amount (₹)	-	-	-	-	-	-	-	-
5	Redeemable preference shares								
	Year ended 31 March, 2012 - Number of shares - Amount (₹)	-	-	-	-	-	-	-	-
	Year ended 31 March, 2011 - Number of shares - Amount (₹)	-	-	-	-	-	-	-	-



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 3  
SHARE CAPITAL**

Arrears of fixed cumulative dividends on preference-shares as at 31 March, 2012 Rs. NIL (As at 31 March, 2011 Rs. Nil)  
(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	Equity shares with voting rights	Equity shares with differential voting rights	Compulsorily convertible preference shares	Optionally convertible preference shares	Redeemable preference shares
			Number of shares		
<b>As at 31 March, 2012</b>					
_____ the holding company	-	-	-	-	-
_____ the ultimate holding company	-	-	-	-	-
Subsidiaries of the holding company	-	-	-	-	-
Associates of the holding company	-	-	-	-	-
Subsidiaries of the ultimate holding company	-	-	-	-	-
Associates of the ultimate holding company	-	-	-	-	-
<b>As at 31 March, 2011</b>	-	-	-	-	-
_____ the holding company	-	-	-	-	-
_____ the ultimate holding company	-	-	-	-	-
Subsidiaries of the holding company	-	-	-	-	-
Associates of the holding company	-	-	-	-	-
Subsidiaries of the ultimate holding company	-	-	-	-	-
Associates of the ultimate holding company	-	-	-	-	-



Cont'd 2/-

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

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Rajen P Shah	568,415	46.45		
Rajen P Shah HUF	109,935	14.49		
Mita R Shah	72,458	6.18		
Equity shares with differential voting rights				
Shareholder 1				
Shareholder 2				
Compulsorily convertible preference shares				
Shareholder 1				
Shareholder 2				
Optionally convertible preference shares				
Shareholder 1				
Shareholder 2				
Redeemable preference shares				
Shareholder 1				
Shareholder 2				

(v) As at 31 March, 2012 NIL shares (As at 31 March, 2011 NIL shares) were reserved for issuance as follows:

(a) NIL shares (As at 31 March, 2011 NIL shares) of Rs. NIL each towards outstanding employee stock options granted / available for grant.

(b) NIL shares (As at 31 March, 2011 NIL shares) of Rs. NIL each towards outstanding share warrants.

(c) NIL shares (As at 31 March, 2011 NIL shares) of Rs. NIL each towards convertible securities [Preference shares , convertible bonds / debentures]



Cont'd.... 3/-

(vi) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2012	As at 31 March, 2011
<u>Equity shares with voting rights</u> Fully paid up pursuant to contract(s) without payment being received in cash Fully paid up by way of bonus shares Shares bought back	173,100	173,100
<u>Equity shares with differential voting rights</u> Fully paid up pursuant to contract(s) without payment being received in cash Fully paid up by way of bonus shares Shares bought back		
<u>Compulsorily convertible preference shares</u> Fully paid up pursuant to contract(s) without payment being received in cash Fully paid up by way of bonus shares Shares bought back		
<u>Optionally convertible preference shares</u> Fully paid up pursuant to contract(s) without payment being received in cash Fully paid up by way of bonus shares		



Cont. ... 4/-

Shares bought back		
<u>Redeemable preference shares</u>		
Fully paid up pursuant to contract(s) without payment being received in cash		
Fully paid up by way of bonus shares		
Shares bought back		

(vii) Details of calls unpaid

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount	Number of shares	Amount
<u>Equity shares with voting rights</u>				
Aggregate of calls unpaid				
- by directors	-	-	-	-
- by officers	-	-	-	-
- by others	-	-	-	-
<u>Equity shares with differential voting rights</u>				
Aggregate of calls unpaid				
- by directors	-	-	-	-
- by officers	-	-	-	-
- by others	-	-	-	-
<u>Compulsorily convertible preference shares</u>				
Aggregate of calls unpaid				
- by directors	-	-	-	-
- by officers	-	-	-	-
- by others	-	-	-	-
<u>Optionally convertible preference shares</u>				
Aggregate of calls unpaid				
- by directors	-	-	-	-
- by officers	-	-	-	-



Cont'd.... 5/-



- by others	-	-	-	-
<b>Redeemable preference shares</b>				
Aggregate of calls unpaid				
- by directors	-	-	-	-
- by officers	-	-	-	-
- by others	-	-	-	-

(vii) Details of forfeited shares

Class of shares	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	Amount originally paid up Rs.	Number of shares	Amount originally paid up Rs.
Equity shares with voting rights	-	-	-	-
Equity shares with differential voting rights	-	-	-	-
Compulsorily convertible preference shares	-	-	-	-
Optionally convertible preference shares	-	-	-	-
Redeemable preference shares	-	-	-	-



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 4  
RESERVES AND SURPLUS**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Capital reserve		
Opening balance	8,767,750	8,767,750
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	8,767,750	8,767,750
(b) Capital redemption reserve		
Opening balance	-	-
Add: Additions during the year		
Transferred from surplus in Statement of Profit and Loss	-	-
Others	-	-
Less: Utilised during the year	-	-
Closing balance	-	-
(c) Securities premium account		
Opening balance	-	-
Add : Premium on shares issued during the year	-	-
Less : Utilised during the year for:		
Issuing bonus shares	-	-
Writing off preliminary expenses	-	-
Writing off shares / debentures issue expenses	-	-
Premium on redemption of redeemable preference shares / debentures	-	-
Buy back of shares	-	-
Others	-	-
Closing balance	-	-



Cont'd... 2/-

(d) Debenture redemption reserve		
Opening balance	-	-
Add: Additions during the year	-	-
Transferred from surplus in Statement of Profit and Loss	-	-
Others	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	-	-
(e) Revaluation reserve		
Opening balance	-	-
Add: Addition on revaluations during the year	-	-
Less: Utilised for set off against depreciation	-	-
Written back / other utilisations during the year	-	-
Closing balance	-	-
(f) Share options outstanding account		
Opening balance	-	-
Add: Amounts recorded on grants/modifications/cancellations during the year	-	-
Less: Written back to Statement of Profit and Loss during the year	-	-
Transferred to Securities premium account	-	-
Less: Deferred stock compensation expense	-	-
Closing balance	-	-
(g) General reserve		
Opening balance	15,323,877	15,323,877
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Issuing bonus shares	-	-
Others	-	-
Closing balance	15,323,877	15,323,877
(h) Foreign currency translation reserve		
Opening balance	-	-

Cont'd... 3/-



Add / (Less): Effect of foreign exchange rate variations during the year	-	-
Add / (Less): Transferred to Statement of Profit and Loss on disposal of the net investment in non-integral foreign operations	-	-
Closing balance	-	-
(i) Hedging reserve		
Opening balance	-	-
Add / (Less): Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year	-	-
Add / (Less): Transferred to Statement of Profit and Loss	-	-
Closing balance	-	-
(j) Other reserves		
Opening balance	-	-
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	-	-
Closing balance	-	-
(k) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	114,600,317	105,199,442
Add: Profit / (Loss) for the year	9,442,430	9,400,875
Amounts transferred from:		
General reserve	-	-
Other reserves	-	-
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (Rs. Nil per share)	-	-
Dividends proposed to be distributed to preference shareholders (Rs. Nil per share)	-	-
Tax on dividend	-	-
Transferred to:		
General reserve	-	-
Capital redemption reserve	-	-
Debenture redemption reserve	-	-
Other reserves (give details)	-	-
Closing balance	124,042,747	114,600,317
<b>Total</b>	<b>148,134,374</b>	<b>138,691,944</b>



## SURABHI CHEMICALS AND INVESTMENTS LTD.

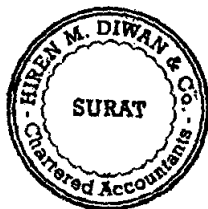
**NOTE : 5**  
**SHORT TERM BORROWINGS**

Particulars	As at 31 March,	As at 31 March,
	2012	2011
	Rs.	Rs.
(a) Loans repayable on demand		
From banks		
Secured	-	-
Unsecured	-	-
<b>Sub - Total</b>	-	-
From other parties		
Secured	-	-
Unsecured	-	-
<b>Sub - Total</b>	-	-
(b) Loans and advances from related parties @		
Secured	-	-
Unsecured	3,511,111	4,298,361
<b>Sub - Total</b>	3,511,111	4,298,361
(c) Deposits		
Secured	-	-
Unsecured	-	-
<b>Sub - Total</b>	-	-
(d) Other loans and advances		
Secured	-	-
Unsecured	-	-
<b>Sub - Total</b>	-	-
<b>Total</b>	<b>3,511,111</b>	<b>4,298,361</b>

**Details of security for the secured short-term borrowings:**

Particulars	Nature of security	As at 31 March, 2012	As at 31 March, 2011
<u>Loans repayable on demand</u>			
<u>from banks:</u>		-	-
Total - from banks		-	-
<u>Loans repayable on demand</u>		-	-
<u>from other parties:</u>			
Total - from other parties		-	-
<u>Loans and advances from</u>		-	-
<u>related parties:</u>			

Cont'd ... 2/-



Total - Loans and advances from related parties		-	-
Deposits:		-	-
Public deposits		-	-
Total - Deposits		-	-
Other loans and advances:		-	-
Total - Other loans and advances		-	-

Details of short-term borrowings guaranteed by some of the directors or

Particulars	As at 31	As at 31
	March, 2012	March, 2011
Loans repayable on demand from banks	-	-
Loans repayable on demand from other parties	-	-
Loans and advances from related parties	-	-
Deposits	-	-
Other loans and advances	-	-

The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 31 March, 2012		As at 31 March, 2011	
	Period of default	Rs.	Period of default	Rs.
Loans repayable on demand from banks				
Principal	-	-	-	-
Interest	-	-	-	-
Loans repayable on demand from other parties				
Principal	-	-	-	-
Interest	-	-	-	-
Loans and advances from related parties				
Principal	-	-	-	-
Interest	-	-	-	-
Deposits				
Principal	-	-	-	-
Interest	-	-	-	-
Other loans and advances				
Principal	-	-	-	-
Interest	-	-	-	-



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

NOTE : 6

**OTHER CURRENT LIABILITIES**

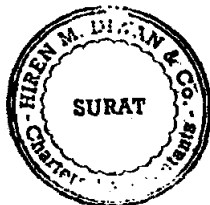
Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	-	-
(e) Income received in advance (Unearned revenue)	-	-
(f) Unpaid dividends	-	-
(g) Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	-	-
(j) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	-	-
(ii) Payables on purchase of fixed assets	-	-
(iii) Contractually reimbursable expenses	-	-
(iv) Interest accrued on trade payables	-	-
(v) Interest accrued on others	-	-
(vi) Trade / security deposits received	-	-
(vii) Advances from customers	-	-
(viii) Others -		
- Audit & Legal Fees	119,978	122,433
- TDS Payable	434	-
<b>Total</b>	<b>120,412</b>	<b>122,433</b>



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 7**  
**SHORT TERM PROVISIONS**

Particulars	As at 31 March,	As at 31 March,
	2012	2011
	Rs.	Rs.
a) Provision for employee benefits:		
(i) Provision for bonus	-	-
(ii) Provision for compensated absences	-	-
(iii) Provision for gratuity (net)	190,300	181,650
(iv) Provision for post-employment medical benefits	-	-
(v) Provision for other defined benefit plans (net)	-	-
(vi) Provision for other employee benefits	-	-
b) Provision - Others:		
(i).Provision for tax (net of advance tax Rs. 2,25,000/- (As at 31 March, 2011 Rs. 8,00,000)	-	807,837
(ii) Provision for premium payable on redemption of bonds	-	-
(iii) Provision for estimated loss on derivatives	-	-
(iv) Provision for warranty	-	-
(v) Provision for estimated losses on onerous contracts	-	-
(vi) Provision for other contingencies	-	-
(vii) Provision for proposed equity dividend	-	-
(viii) Provision for proposed preference dividend	-	-
(ix) Provision for tax on proposed dividends	-	-
(x) Provision - others	-	-
<b>Total</b>	<b>190,300</b>	<b>989,487</b>

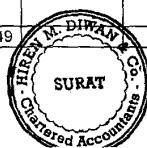




**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 8  
NON - CURRENT INVESTMENTS**

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Investments (At cost):						
Trade -						
(a) Investment in equity instruments						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities(Listed Companies)	82,149	-	82,149	459,044	-	459,044
	82,149	-	82,149	459,044	-	459,044
(b) Investment in preference shares						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities	-	-	-	-	-	-
(c) Investment in debentures or bonds						
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities	-	-	-	-	-	-
(d) Investment in partnership firms	-	-	-	-	-	-
(e) Other non-current investments	-	-	-	-	-	-
<b>Total - Trade (A)</b>	<b>82,149</b>	<b>-</b>	<b>82,149</b>	<b>459,044</b>	<b>-</b>	<b>459,044</b>



Cont'd.. 2/-

B. <u>Other investments</u>						
(a) Investment property (specify nature), (net off accumulated depreciation and impairment, if any)	-	-	-	-	-	-
(b) Investment in equity instruments	-	-	-	-	-	-
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities	-	-	-	-	-	-
(c) Investment in preference shares	-	-	-	-	-	-
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities	-	-	-	-	-	-
(d) Investment in government or trust securities	-	-	-	-	-	-
(i) government securities	-	-	-	-	-	-
(ii) trust securities	-	-	-	-	-	-
(e) Investment in debentures or bonds	-	-	-	-	-	-
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities	-	-	-	-	-	-
	-	-	-	-	-	-

Cont'd.. 3/-



(f) Investment in mutual funds	-	-	-	-	-	-
(g) Investment in partnership firms	-	-	-	-	-	-
(h) Other non-current investments	-	-	-	-	-	-
<b>Total - Other investments (B)</b>	-	-	-	-	-	-
<b>Total (A+B)</b>	-	-	-	-	-	-
Less: Provision for diminution in value of investments	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-
Aggregate amount of quoted investments			82,149			459,044
Aggregate market value of listed and quoted investments			385369			487,271.00
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			6,204			-

Note: Other details relating to investment in partnership firms

Name of the firm	As at 31 March, 2012			As at 31 March, 2011		
	Names of partners in the firm	Total capital	Share of each partner in the profits of the firm	Names of partners in the firm	Total capital	Share of each partner in the profits of the firm
	-	-	-	-	-	-



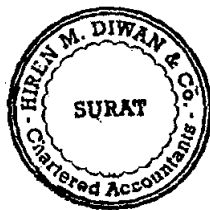
**SURABHI CHEMICALS AND INVESTMENTS LTD.**

NOTE : 9

**LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Capital advances		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful advances	-	-
(b) Security deposits		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
(c) Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
(d) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful loans and advances	-	-
(e) Prepaid expenses - Unsecured, considered good	-	-
(f) Advance income tax (net of provisions) Rs.24744 (As at 31 March, 2011 Rs. 8,00,000/-) - Unsecured, considered good	200,256	-
(g) MAT credit entitlement - Unsecured, considered good	7,007,941	7,032,685
(h) Balances with government authorities	-	-
Unsecured, considered good	-	-
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	-	-

Cont'd... 2/-



(iii) Service Tax credit receivable	-	-
(i) Other loans and advances	-	-
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
<b>Total</b>	<b>7,208,197</b>	<b>7,032,685</b>

**Note 10 Long-term loans and advances (contd.)**

Note: Long-term loans and advances include amounts due from:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 10  
CURRENT INVESTMENTS**

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
A. Current portion of long-term investments (At cost)						
(a) Investment in preference shares	-	-	-	-	-	-
(b) Investment in government or trust securities	-	-	-	-	-	-
(c) Investment in debentures or bonds	-	-	-	-	-	-
(d) Investment in mutual funds	-	-	-	-	-	-
(e) Other investments	-	-	-	-	-	-
Less: Provision for diminution in value of current portion of long-term investments	-	-	-	-	-	-
<b>Total -Current portion of long-term investments (A)</b>						
B. Other current investments						
(a) Investment in equity instruments	-	-	-	-	-	-
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities	-	-	-	-	-	-
(b) Investment in preference shares	-	-	-	-	-	-
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-



Cont'd...2/-

(v) of other entities	-	-	-	-	-	-
(c) Investment in government or trust securities	-	-	-	-	-	-
(i) government securities	-	-	-	-	-	-
(ii) trust securities	-	-	-	-	-	-
(d) Investment in debentures or bonds	-	-	-	-	-	-
(i) of subsidiaries	-	-	-	-	-	-
(ii) of associates	-	-	-	-	-	-
(iii) of joint venture companies	-	-	-	-	-	-
(iv) of controlled special purpose entities	-	-	-	-	-	-
(v) of other entities	-	-	-	-	-	-
(e) Investment in mutual funds						
Benchmark MF	959	-	959	912	-	912
DSP BR FMP - 3M Series	55,812,781	-	55,812,781	53,242,440	-	53,242,440
ICICI Prudential Fund - Qtly Interval	45,752,301	-	45,752,301	43,778,687	-	43,778,687
Reliance Interval Fund Qtl. Plan	42,505,878	-	42,505,878	42,317,492	-	42,317,492
Templeton India Low Duration Fund - Div. Re Invest	3,480,802	-	3,480,802	3,294,360	-	3,294,360
FT India Dynamic PE Ration Fund-Div Reinvest	2,586,032	-	2,586,032	-	-	-
(f) Investment in partnership firms						
(g) Other investments						
<b>Total - Other current investments (B)</b>			150,138,752			142,633,891
<b>Total - Current investments (A+B)</b>						
Aggregate amount of quoted investments			150,138,752			142,633,891
Aggregate market value of listed and quoted investments			150,182,887			143,760,019
Aggregate value of listed but not quoted investments			-			-
Aggregate amount of unquoted investments			-			-
Aggregate provision for diminution in the value of other current investments			-			-



Cont'd...3/-

Notes: (i) Other details relating to investment in partnership firms

Name of the firm	As at 31 March, 2012			As at 31 March, 2011		
	Names of partners in the firm	Total capital	Share of each partner in the profits of the firm	Names of partners in the firm	Total capital	Share of each partner in the profits of the firm
1		0	0	0	0	0
2						

(ii) Current investments includes investments in the nature of "Cash and cash equivalents" (as defined in AS 3 *Cash Flow Statements*) amounting to





**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 11  
CASH AND CASH EQUIVALENTS**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Cash on hand	59,764	48,002
(b) Cheques, drafts on hand	-	-
(c) Balances with banks	-	-
(i) In current accounts	3,689,450	922,796
(ii) In EEFC accounts	-	-
(iii) In deposit accounts	-	-
(iv) In earmarked accounts	-	-
- Unpaid dividend accounts	-	-
- Unpaid matured deposits	-	-
- Unpaid matured debentures	-	-
- Share application money received for allotment of securities and due for refund	-	-
- Balances held as margin money or security against borrowings, guarantees and other commitments	-	-
- Other earmarked accounts	-	-
(d) Others	-	-
<b>Total</b>	<b>3,749,214</b>	<b>970,798</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		
<b>Notes:</b>		
(i) Balances with banks include deposits amounting to Rs. Nil (As at 31 March, 2011 Rs. Nil) and margin monies amounting to Rs. Nil (As at 31 March, 2011 Rs. Nil) which have an original maturity of more than 12 months.		
(ii) Balances with banks - Other earmarked accounts include Rs. Nil (As at 31 March, 2011 Rs. Nil) which have restriction on repatriation.		

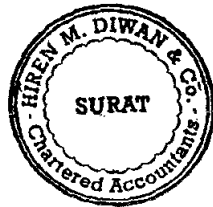


**SURABHI CHEMICALS AND INVESTMENTS LTD.**

**NOTE : 12**  
**SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	9,124	2,238,834
Doubtful	-	-
	9,124	2,238,834
Less: Provision for doubtful loans and advances	-	-
	9,124	2,238,834
(b) Security deposits		
Secured, considered good	-	-
Unsecured, considered good	7,000	7,000
Doubtful	-	-
	7,000	7,000
Less: Provision for doubtful deposits	-	-
	7,000	7,000
(c) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Less: Provision for doubtful loans and advances	-	-
	-	-
(d) Prepaid expenses - Unsecured, considered good	-	-
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	-	-
(ii) VAT credit receivable	-	-
(iii) Service Tax credit receivable	-	-
(f) Inter-corporate deposits		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
	-	-
Less: Provision for doubtful inter-corporate deposits	-	-
	-	-
(g) Others		
Secured, considered good	-	-
Unsecured, considered good	-	-

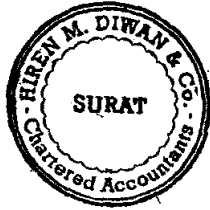
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Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
	-	-
<b>Total</b>	<b>16,124</b>	<b>2,245,834</b>

Note: Short-term loans and advances include amounts due from:

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
Directors	-	-
Other officers of the Company	-	-
Firms in which any director is a partner	-	-
Private companies in which any director is a director or member	-	-
	-	-

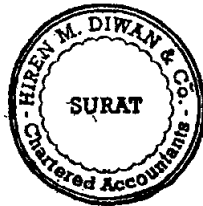


**SURABHI CHEMICALS AND INVESTMENTS LTD.**

NOTE : 13

**OTHER CURRENT ASSETS**

Particulars	As at 31 March, 2012	As at 31 March, 2011
	Rs.	Rs.
(a) Unbilled revenue	-	-
(b) Unamortised expenses		
(i) Ancillary borrowing costs	-	-
(ii) Share issue expenses	-	-
(iii) Discount on shares	-	-
(c) Accruals		
(i) Interest accrued on deposits	-	-
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
(d) Others		
(i) Insurance claims	-	-
(ii) Receivables on sale of fixed assets	-	-
(iii) Contractually reimbursable expenses	-	-
(iv) Others - S T T R Wadiwala	1,787	-
<b>Total</b>	<b>1,787</b>	<b>-</b>



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

NOTE : 14

OTHER INCOME

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		Rs.	Rs.
(a)	Interest income	-	7
(b)	Dividend income:		
	from current investments		
	subsidiaries @	-	-
	joint ventures	-	-
	associates	-	-
	others- Mutual Funds	10,572,229	3,115,176
	from long-term investments		
	subsidiaries @	-	-
	joint ventures	-	-
	associates	-	-
	others- Listed Equity Shares	11,370	66,043
(c)	Net gain on sale of:		
	current investments	80,078	9,010,785
	long-term investments	1,375,498	-
(d)	Adjustments to the carrying amount of investments - reversal of reduction in the carrying amount of:		
	current investments	-	-
	long-term investments	-	-
(e)	Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	-
(f)	Other non-operating income	-	-
	<b>Total</b>	<b>12,039,174</b>	<b>12,192,011</b>



Cont'd...2/-

	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
		Rs.	Rs.
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits	-	-
	other balances	-	-
	Interest on loans and advances	-	-
	Interest on overdue trade receivables	-	-
	Interest income from current investments	-	-
	subsidiaries	-	-
	joint ventures	-	-
	associates	-	-
	others	-	-
	Interest income from long term investments	-	-
	subsidiaries	-	-
	joint ventures	-	-
	associates	-	-
	others	-	-
	Interest on income tax refund	-	-
	Other interest	-	-
	<b>Total - Interest income</b>	-	-
(ii)	Other non-operating income comprises:		
	Rental income from investment properties	-	-
	Rental income from operating leases	-	-
	Profit on sale of fixed assets [net of expenses directly attributable Rs. Nil (Year ended 31 March, 2011 Rs. Nil)]	-	->357,915
	Share of profit from partnership firms	-	-
	Share of profit from AOPs	-	-
	Share of profit from LLPs	-	-
	Liabilities / provisions no longer required written back	-	-
	Prior period items (net) (Refer Note (iii) below)	-	-
	Miscellaneous income [net of expenses directly attributable Rs. Nil (Year ended 31 March, 2011 Rs. Nil)]	-	-
	<b>Total - Other non-operating income</b>	-	357,915
(iii)	Details of Prior period items (net)		
	Prior period income (give details)	-	-
	Prior period expenses (give details)	-	-
	<b>Total</b>	12,039,174	12,549,926



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

NOTE : 15  
EMPLOYEE BENEFITS EXPENSES

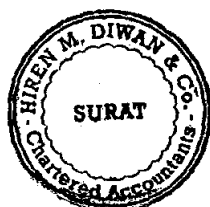
Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Salaries and wages	587,000	397,700
Contributions to provident and other funds	-	-
Expense on employee stock option (ESOP) scheme	-	-
Staff welfare expenses	-	-
Total	587,000	397,700



**SURABHI CHEMICALS AND INVESTMENTS LTD.**

NOTE : 16  
OTHER EXPENSES

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Rs.	Rs.
Consumption of stores and spare parts	-	-
Consumption of loose tools	-	-
Consumption of packing materials	-	-
Increase / (decrease) of excise duty on inventory	-	-
Subcontracting	-	-
Power and fuel	-	-
Water	-	-
Rent including lease rentals	-	-
Repairs and maintenance - Buildings	-	-
Repairs and maintenance - Machinery	-	-
Repairs and maintenance - Others	-	-
Insurance	-	-
Rates and taxes	-	-
Communication	-	-
Travelling and conveyance	360	976
Printing and stationery	1,576	7,200
Freight and forwarding	-	-
Sales commission	-	-
Sales discount	-	-
Business promotion	-	-
Donations and contributions	-	-
Legal and professional	1,013,105	497,164
Payments to auditors	119,978	122,433
Bad trade and other receivables, loans and advances written off	-	-
Net loss on foreign currency transactions and translation	-	-
Amortisation of share issue expenses and discount on shares	-	-
Loss on fixed assets sold / scrapped / written off	-	68,158
Provision for impairment of fixed assets and intangibles (net)	-	-
Net loss on sale of investments	-	-
from current investments	-	13,017
from long-term investments	-	-
Provision for losses (diminution in value of investments) in subsidiary companies (net)	-	-
Adjustments to the carrying amount of investments (other than subsidiaries) (net) - reduction in the carrying amount of :	-	-
current investments	-	-
long-term investments	324,570	-
Provision for doubtful trade & other receivables, loans & advances	-	-
Provision for estimated loss on derivatives (net)	-	-
Provision for warranty [net of reversal of Rs. Nil (Year ended 31 March, 2011 Rs. Nil)]	-	-



Cont'd... 2/-



Provision for estimated losses on onerous contracts [net of reversal of Rs. Nil (Year ended 31 March, 2011 Rs. Nil)]	-	-
Provision for contingencies [net of reversal of Rs. Nil (Year ended 31 March, 2011 Rs. Nil)]	-	-
Prior period items (net)	-	-
Advertisement Expenses	200,604	150,347
Miscellaneous expenses	239,793	448,744
<b>Total</b>	<b>1,899,986</b>	<b>1,308,039</b>

Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
	Amount Rs.	Amount Rs.
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	32000	20000
For taxation matters	70000	86000
For company law matters		0
For management services		0
For other services	17978	16433
Reimbursement of expenses		
<b>Total</b>	<b>119978</b>	<b>122433</b>
Payments for		
(ii) Details of Prior period items (net)		
Prior period expenses		
Prior period income		
<b>Total</b>		

**SIGNATURES TO NOTES 1 TO 16 :**

As per our report of even date

FOR HIREN M. DIWAN & COMPANY  
Chartered Accountants

*PPS ROSNAH*  
DATE: 21/05/12 (MANAGING DIRECTOR)

*Mitesh R. Shah*  
DATE: 21/05/12 (DIRECTOR)

*[Signature]*  
[COMPANY SECRETARY]

*[Signature]*  
(TEJAS M. DESAI)  
PARTNER

DATE: 21/05/12



Net cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 19	3,749,214	970,791
Add: Current investments considered as part of cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)	-	-
<b>Cash and cash equivalents at the end of the year *</b>	<b>3,749,214</b>	<b>970,791</b>
* Comprises:		
(a) Cash on hand	59,764	48,002
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	3,689,450	922,796
(ii) In EEFC accounts	-	-
(iii) In deposit accounts with original maturity of less than 3 months	-	-
(iv) In earmarked accounts (give details) (Refer Note (ii) below)	-	-
(d) Others (specify nature)	-	-
(e) Current investments considered as part of Cash and cash equivalents (Refer Note (ii) to Note 16 Current investments)	-	-
	<b>3,749,214</b>	<b>970,791</b>

**Notes:**

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

**See accompanying notes forming part of the financial statements**

In terms of our report attached.

**For HIREN M. DIWAN & COMPANY**  
Chartered Accountants

*Tejas M. Desai*  
**(TEJAS M. DESAI)**  
PARTNER

Membership No.: 113760  
Firm Registration No.: 103691W

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

*R M Roshah*

Chairman

*R M Roshah*

Managing Director

*Company Secretary*  
Company Secretary

Place : Surat  
Date : 21/05/12

Place : Surat  
Date : 21/05/12

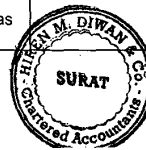


- Associates	-		-	
- Joint ventures	-		-	
- Others	-		-	
Interest received				
- Subsidiaries	-		-	
- Associates	-		-	
- Joint ventures	-		-	
- Others	-		-	
Dividend received				
- Subsidiaries	-		-	
- Associates	-		-	
- Joint ventures	-		-	
- Others	4,125,009		3,181,219	
Rental income from investment properties	-		-	
Rental income from operating leases	-		-	
Amounts received from partnership firms	-		-	
Amounts received from AOPs	-		-	
Amounts received from LLPs	-		-	
Cash flow from extraordinary items		4,586,637		612,328
		-		-
Net income tax (paid) / refunds		4,586,637		612,328
		-		-
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>4,586,637</b>		<b>612,328</b>
		<b>4,586,637</b>		<b>612,328</b>



Cont'd...5/-

Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	Amount	Amount	Amount	Amount
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of equity shares	-	-	-	-
Proceeds from issue of preference shares	-	-	-	-
Redemption / buy back of preference / equity shares	-	-	-	-
Proceeds from issue of share warrants	-	-	-	-
Share application money received / (refunded)	-	-	-	-
Proceeds from long-term borrowings	-	-	-	-
Repayment of long-term borrowings	-	-	-	-
Net increase / (decrease) in working capital borrowings	-	-	-	-
Proceeds from other short-term borrowings	-	-	4,298,361	-
Repayment of other short-term borrowings	(787,250)	-	-	-
Finance cost	-	-	-	-
Dividends paid	-	-	-	-
Tax on dividend	-	-	-	-
		(787,250)		4,298,361
Cash flow from extraordinary items		-		-
		(787,250)		4,298,361
<b>Net cash flow from / (used in) financing activities (C)</b>		(787,250)		4,298,361
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		2,778,416		95,302
Cash and cash equivalents at the beginning of the year		970,798		875,489
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
<b>Cash and cash equivalents at the end of the year</b>		3,749,214		970,791
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet:</b>				
Cash and cash equivalents as per Balance Sheet (Refer Note 19)		3,749,214		970,791
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (give details)		-		-



Con'td. 6/-