

# **SURBHI**



**31<sup>st</sup>  
Annual Report  
2022-23**

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## **SURBHI INDUSTRIES LIMITED**

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

### **IMPORTANT COMMUNICATION TO MEMBERS**

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

**SURBHI INDUSTRIES LIMITED**

<b>Board of Directors</b>	<b>1. Shri Bipinbhai J. Patel - Chairman (WTD) &amp; CFO 2. Shri Ravjibhai P. Patel - Managing Director 3. Shri Satish Narandas Patel - Independent Director 4. Smt Sheetal Harsh Patel - Independent Woman Director</b>
<b>Company Secretary</b>	<b>Hetalben Arvindbhai Joshi</b>
<b>Auditors:</b>	<b>M/s. GHAEI CHOKSI &amp; CO. Chartered Accountant 103, Jash Infinity, Consilium Tax Management Services Pvt. Ltd. Bh. Old Sub Jail, Khatodara, Surat - 395002</b>
<b>Bankers:</b>	<b>Bank of Baroda MSME Sahara darwaja Branch, Surana International Building, Saharagate, Ring Road, Surat</b>
<b>Email id</b>	<b>info@surbhi.com</b>
<b>Regd. Office</b>	<b>"Surbhi House", 2nd Floor, FP NO 206, B/h Old Sub Jail, Ring Road, Khatodara Surat - 395002</b>
<b>Plant:</b>	<b>Plot No. 249/1-3, 248/8-9-10, Village: Karanj, Ta. Mandvi, Dist. Surat</b>

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

**NOTICE** is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of Surbhi Industries Limited will be held on Thursday 24<sup>th</sup> Day of August, 2023 at 10:00 A.M. IST through video conferencing ("VC") other audiovisual means ("OAVM") (hereinafter referred to as "electronic AGM"/ "e-AGM") to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Managing Director in place of Shri Ravjibhai Parbatbhai Patel (DIN 00023332), who retires by rotation and being eligible, he offers himself for re-appointment.

**SPECIAL BUSINESS**

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

"**RESOLVED THAT** pursuant to the provision of Sections 149,150,152 read with Schedule IV and any other applicable provision of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) On the basis of recommendation of Nomination and Remuneration Committee and Board of directors, Mr. Satish Narandas Patel (DIN: 08168748), Independent director of company, whose period of office is liable to expire on 29<sup>th</sup> June 2023 and who has submitted a declaration that he meets the criteria of independence under section 149(6) of Companies Act, 2013 and who is eligible for re-appointment and not be subject to retirement by rotation for a second term of five consecutive years, appointed by Board of Directors at their meeting held on 25<sup>th</sup> May 2023 as an additional director, be and is hereby appointed as an independent director on the board of the company subject to the approval of members in upcoming general meeting with effect from 30<sup>th</sup> June, 2023 to 29<sup>th</sup> June, 2028."

**RESOLVED FURTHER THAT** any of the director of Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

"**RESOLVED THAT** pursuant to the provision of Sections 149,150,152 read with Schedule IV and any other applicable provision of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) On the basis of recommendation of Nomination and Remuneration Committee and Board of directors, Mrs. Sheetal Harsh Patel (DIN: 06858676), Independent director of company, whose period of office is liable to expire on 29<sup>th</sup> June 2023 and who has submitted a declaration that he meets the criteria of independence under section 149(6) of Companies Act, 2013 and who is eligible for re-appointment and not be subject to retirement by rotation for a second term of five consecutive years, appointed by Board of Directors at their meeting held on 25<sup>th</sup> May 2023 as an additional director, be and is hereby appointed as an independent director on the board of the company subject to the approval of members in upcoming general meeting with effect from 30<sup>th</sup> June, 2023 to 29<sup>th</sup> June, 2028."

**RESOLVED FURTHER THAT** any of the director of Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**Registered Office:**

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

**Date: 31.07.2023**

**Place: Surat**

**By order of the Board**  
**SURBHI INDUSTRIES LIMITED**

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

## NOTES:

In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 31<sup>st</sup>AGM of the Company is being convened and conducted through VC, details of circulars are given herein below at SHAREHOLDER INSTRUCTIONS FOR E-VOTING

1. Pursuant to provisions of the Companies Act, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, the requirements of physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for this AGM and hence the Proxy Form is not annexed hereto.
2. As the AGM will be held through VC/OAVM, the route map of the venue of the Meeting and attendance slip is not annexed hereto.
3. Participation of members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
4. The Register of Members and Share Transfer Books of the Company will remain close from Saturday, 19<sup>th</sup> August, 2023 to Wednesday, 23<sup>rd</sup> August, 2023 (both days inclusive)
5. All documents referred to in the above Notice and the accompanying Explanatory Statements are open for inspection at the Registered Office of the Company during the business hours on any working day (except Sunday and holidays) between 10.00 a.m. and 12.30 p.m. up to the date of the preceding date of Annual General Meeting.
6. A member desirous of getting any information on the accounts or operations of the Company is required to forward his/her queries to the Company at least 7 days prior to the Meeting so that the required information can be made available at the Meeting.
7. In compliance with the regulatory provisions, the Annual Report of the Company for FY 2023 along with the AGM Notice has been sent electronically only to those shareholders who have registered their e-mail addresses with their DPs/ RTA/ the Company. The same is also hosted on the Company's website [www.surbhi.com](http://www.surbhi.com) and also on the website of the [www.bseindia.com](http://www.bseindia.com). The relevant details are also hosted on the website of the remote e-voting service provider viz. [www.evotingindia.com](http://www.evotingindia.com).
8. Members are requested to intimate if shares are held in the same name or in the same order and names, but in more than one account to enable the company to club said accounts into one account.
9. In order to comply with Ministry of Corporate Affairs circular on "Green Initiative in the Corporate Governance" members are requested to intimate their email address to the company.
10. Trading/Transfer in shares of the Company shall compulsorily be done in Dematerialization from only w.e.f. 1st April, 2019 Pursuant to SEBI press Release No. 12/2019 dated 27th March, 2019, SEBI had clarified that the investors may continue to hold such shares in physical form even after the 1st April, 2019 subject to condition that investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized. The shareholders/members of the company, who are having equity shares in physical form, are advised to get dematerialized of their equity shares by way of surrendering to their physical share certificates to the Registrar and Transfer Agents (RTA) of the company (i.e. Bigshare Services Pvt. Ltd) through their respective Depository Participants.

11. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD/RTAMB/P/CIR/2021/655 dated 3rd November, 2021, The Company through its Registrar and Transfer Agent i.e. Bigshare India Pvt. Ltd has sent individual letters to all the members holding shares of the company in physical form for furnishing their PAN, KYC Details and bank details in form ISR-1. Further it is stated that folios wherein any one of the cited document/details including linking of PAN with Aadhar are not furnished or made available on or after 1st April, 2023, the relevant folio(s) shall be frozen by the RTA of the company. After 31st December, 2025, the frozen folios shall be referred by the RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. The Requisite forms are available on the website of the company under the 'Investor Info' tab. Members are requested to get in touch with RTA in this regard.
12. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated all listed companies to issue securities in demat form only while processing service request viz. issue of duplicate securities certificate; claim from unclaimed suspense account; Renewal/Exchange of securities certificates; Sub-division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly members are requested to make service request by submitting a duly filled and signed form ISR-4, the format of which is available on the website of the company. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all request for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and eliminate all risk associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA for further assistance in this regard.
13. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No.2 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking appointment/re-appointment as Director under Item No. 2 of the Notice, are also annexed.
14. In compliance with the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are being provided with the facility to cast their vote electronically, through the e-voting services provided by [www.evotingindia.com](http://www.evotingindia.com) on all the resolutions set forth in this Notice. The e-voting period commences on Monday, 21<sup>st</sup> August, 2023 at 09:30 A.M. (IST) and ends on Wednesday, 23<sup>rd</sup> August, 2023 at 05:00 PM (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 17<sup>th</sup> August, 2023 (cut-off date), may cast their vote electronically. Thereafter the e-voting module shall be disabled. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.
15. Voting through Electronics Means- A detailed instructions and related write ups, on Electronic Voting Process, which forms part of this notice.
16. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.surbhi.com](http://www.surbhi.com) and on the website of [www.evotingindia.com](http://www.evotingindia.com) within two days of passing of the resolutions at the 31<sup>st</sup> Annual General Meeting of the Company and communicated to the BSE Limited and, where the shares of the Company are listed.
17. Members are requested to quote Folio number/DPid in all their correspondences.
18. Members are requested to inform the company immediately the changes, if any, in their address specifying full address in Block Capital with Pin code of the post office.
19. Company has designated email id: of the grievance redressal division/compliance officer exclusively for the purpose of registering complaints by investors. Investors are requested to send their communication on designated email id: [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com)

20. Members are requested to bring their copy of Annual report of the meeting as the same shall not be circulated thereat.
21. Members are requested to updated their PAN no and bank details with RTA.
22. EVSN No. 230726005
23. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com)
24. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. In case of members holding shares in physical mode are requested to register / update their email id by writing to the Company at [grdsurbhi@gmail.com](mailto:grdsurbhi@gmail.com) providing their folio no. and scanned self attested copy of PAN card and self attested copy of any document such as Aadhaar Card, Passport, Driving Licence, Election identity Card, etc. in support of the registered address of the member. In case of members holding shares in demat mode, members are requested to register / update their email id with the relevant depository participant.

### **SHAREHOLDER INSTRUCTIONS FOR E-VOTING**

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

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.surbhi.com](http://www.surbhi.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05.05.2020 and general circular No. 02/2022 dated 05.05.2022 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2023, to conduct their AGMs on or before 30<sup>th</sup> September, 2023 in accordance with the requirements provided in para 3 and 4 of the General Circular No. 20/2020 dated 05.05.2020.

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

- (i) The voting period begins on Monday, 21<sup>st</sup> August, 2023 at 09:30 AM (IST) and ends on Wednesday, 23<sup>rd</sup> August, 2023 at 05:00 PM (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 17<sup>th</sup> August, 2023 (cutoff date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

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

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

Type of shareholders	Login Method

Individual Shareholders holding securities in Demat mode with CDSL Depository

1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or visit [www.cdslindia.com](http://www.cdslindia.com) and click on Login icon and select New System Myeasi.

2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.

3) If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>

4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with NSDL Depository

1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2) If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>

3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting



Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact attoll free number 1800225533
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this

password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant **SURBHI INDUSTRIES LIMITED** on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Facility for Non - Individual Shareholders and Custodians -Remote Voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [GRDSURBHI@GMAIL.COM](mailto:GRDSURBHI@GMAIL.COM), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **5 days prior to meeting** mentioning

their name, demat account number/folio number, email id, mobile number at grdsurbhi@gmail.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **5 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at grdsurbhi@gmail.com. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

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

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 1800 22 55 33.

**ANNEXURE TO THE NOTICE**

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

**Item No. 2**

**Brief resume of appointee**

Mr. Ravjibhai P. Patel (DIN: 00023332) Managing Director is also the founder of our Company; he is serving the company since inception. His zeal and dedication towards work has helped the company to achieve greater heights. Our company needs his foresight and knowledge for future development.

The details of Mr. Ravjibhai P. Patel in pursuance of the Listing Agreement are mentioned hereunder:

<b>Name of Director</b>	Mr. RAVJIBHAI PARBATBHAI PATEL
<b>Date of Birth</b>	9th November, 1956
<b>Date of Appointment</b>	21 <sup>st</sup> May 1992
<b>Qualification</b>	B.Com
<b>Expertise in specific functional areas</b>	Finance, Business Development
<b>List of Companies in which directorship is held as on</b>	N. A.
<b>Chairman / Member of the committee</b>	0
<b>Terms and Conditions of Re-appointment</b>	As per the resolution at Item No. 2 of the Notice

	convening this Meeting read with explanatory statement thereto
<b>Remuneration last drawn (including sitting fees, if any)</b>	Rs. 36,00,000 Lakh for FY. 2022-23 drawn as MD of the company.
<b>Remuneration proposed to be paid</b>	As per his original terms of appointment
<b>No. of Board Meetings attended during the year (out of * held)</b>	6/6
<b>Shareholding of the Director in the Company</b>	1,51,900 Equity shares of Face Value of Rs. 10 each (4.42%)
<b>Relationship with other Directors / Key Managerial Personnel</b>	Relative of Mr. Bipinbhai J. Patel Whole Time Director

As required under Companies Act, 2013 approval of members of the company is being sought for the reappointment of Mr. Ravjibhai P. Patel as Director of the company.

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

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

#### **Item No. 3& 4**

The Members at the Annual General Meeting held on 28<sup>th</sup>September 2018 appointed Mr. Satish Narandas Patel and Mrs. Sheetal Harsh Patel as an Independent Director to hold office for a term of 5 years. Accordingly, the tenure of Mr. Satish Narandas Patel and Mrs. Sheetal Harsh Patel, as an Independent Director is due for expire on 29<sup>th</sup> June, 2023.

The Board of Directors of the Company at its meeting held on May 25, 2023, re-appointed Mr. Satish Narandas Patel (DIN: 08168748) and Mrs. SheetalHarsh Patel (DIN: 06858676), in the capacity of Independent Director for a term of 5 yearswith effect from June 30, 2023to June 29, 2028 subject to the approval of the Members of the Company.

In terms of section 160 of the Companies Act, 2013, the Board, Nomination and Remuneration Committee have recommended the appointment of Mr.Satish Narandas Patel and Mrs. Sheetal Harsh Patel as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013. The Company has received a declaration from Mr. Satish Narandas Patel and Mrs. Sheetal Harsh Patel, confirming that he/she meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and he/she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Considering Mr. Satish Narandas Patel'sand Mrs. Sheetal Harsh Patel's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to re-appoint him as an Independent Director for a period of five years with effect from 30<sup>th</sup>June, 2023 on the same terms and conditions as set out at the time of appointment.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

A brief profile of the Independent Directors to be re-appointed is given below:

<b>Particular</b>	<b>Mr. Satish Narandas Patel</b>	<b>Mrs. Sheetal Harsh Patel</b>
Date of Birth	11/11/1962	24/09/1977
Date of Appointment	30/06/2023	30/06/2023
Qualification	12 <sup>th</sup> science	BHMS( Bachelor in Homeopathy Medical and Science )
Expertise in specific functional Areas	Marketing & Business Development	Product & Business Development
List of Companies in which	N.A.	N.A.

directorship is held as on		
Chairman / Member of the committee of other companies	N.A.	N.A.
Relationship with Directors and Key Managerial Personnel	N.A.	N.A.
Shareholding of the Director in the Company	Nil	Nil

As required under Companies Act, 2013 approval of members of the company is being sought for the reappointment of Mr. Satish Narandas Patel and Mrs. Sheetal Harsh Patelas Director of the company.

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

None of the other Directors, Key Managerial Personnel or their relatives except Mr. Satish Narandas Patel and Mrs Sheetal Patel being appointees, are concerned or interested in the above stated resolutions.

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

**By order of the Board**  
**SURBHI INDUSTRIES LIMITED**

**Date:31.07.2023**  
**Place: Surat**

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

## SURBHI INDUSTRIES LIMITED

### DIRECTOR'S REPORT

To,  
Dear Shareholders,

The Directors of your Company have pleasure in submitting their **Thirty First** Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup>March,2023.

#### FINANCIAL HIGHLIGHTS

Particulars	(Amt. in Rs.)	
	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Total Revenue	286,558,567	297,019,739
<b>Profit/(Loss) before taxation</b>	<b>8,92,555</b>	<b>19,426,290</b>
Less: Current Tax	0	6,928,736
Deferred Tax	0	13,68,915
Income Tax earlier years	0	0
<b>Profit For The Year</b>	<b>8,92,555</b>	<b>11,128,639</b>
Less: Income Tax Items not classified in Profit and Loss accounts	0	159645
Total Comprehensive Income for the period	<b>8,92,555</b>	<b>11,288,284</b>
<b>Less: Appropriation</b>	<b>0</b>	<b>0</b>
Adjustment relating to ITEMS not classified in P and L account	0	0
Transferred to General Reserve	0	0
<b>Closing Balance of Profit and Loss Accounts</b>	<b>11,55,56,206</b>	<b>13,33,17,385</b>

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

During the year under review, the company had total revenue of Rs. 28.65Crores against the previous year total revenue of Rs. 29.70 Crores which shows approximately 0.03 % decrease in comparison with the previous year. The company had occurred profit after tax of Rs. 8 Lakh during the year compared to previous year's profit of Rs. 11Lakh profit slipped to 27% mainly due to higher inventory cost, finance cost and depreciation cost. Overall market was on improving mode for the textile industry during the year 2022-23. Company able to maintain reasonable profit and net profit ratio slipped to 0.33% mainly due to increase in higher inventory cost and financial cost during the year. However, company intends to reach to normal working condition.

#### DIVIDEND

In view of requirement of financial resources and considering the future requirements of funds, your Directors are unable to recommend any Dividend for the year ended 31<sup>st</sup> March 2023.

#### TRANSFER TO RESERVES

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

#### ANNUAL RETURN

Pursuant Section 92 (3) Annual Return will be available on following web link:  
<https://www.surbhi.com/pdf/annual-reports/Annual-Return-Form-31.03.2023.pdf>

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

#### BUSINESS

COVID -19 has effected overall business environment, local as well as international market adversely effected. Efforts are being made to assess the situation and to provide better result than earlier years. In view of the increased

activities, expansions and programs to grab the emerging opportunities are under hold and after re-assessment of the same further business expansion activities will be done.

Efforts are being made to provide better result than earlier years. In view of the increased activities, expansions and programs to grab the emerging opportunities.

#### DEPOSITS FROM PUBLIC

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

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

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

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

The particulars of loans, guarantees and investments have been disclosed in the financial statements members are requested to review the schedule for the same.

#### INSURANCE

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

#### AUDITORS' REPORT

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

#### TRANSFER OF UNCLAIMED DIVIDEND/SHARES TO INVESTOR EDUCATION AND PROTECTION FUND - IF ANY:

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

#### DETAILS ABOUT SUBSIDIARY COMPANIES

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

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

A Declaration has been received from Independent Directors stating name of companies in which they hold directorship and/or membership/ Chairmanship of Committees of Board, as stipulated under Regulations of LODR

Regulation, 2015 are given at Corporate Governance of the Annual Report.

The Board of Directors of the Company at its meeting held on May 25, 2023, re-appointed Mr. Satish Narandas Patel (DIN: 08168748) and Mrs. Sheetal Harsh Patel (DIN: 06858676), in the capacity of Independent Director for a term of 5 years with effect from June 30, 2023 to June 29, 2028 subject to the approval of the Members of the Company.

Board recommend to approve the same as stated in the item number 3 & 4 of the notice.

## **AUDITORS**

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

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

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

## **AUDITORS' REPORT**

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

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There was no fraud reported by Auditor during the financial year 2022-23.

## **EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
2. That such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31<sup>st</sup> March 2023 and of the Profit & Loss of the Company for that period.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts have been prepared on a going concern basis
5. That internal financial control has been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively.
6. That proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



## **RISK MANAGEMENT**

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

## **VIGIL MECHANISM**

Company has appropriate VIGIL Mechanism/whistle blower policy for directors and employees to report genuine concerns. It shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Vigil Mechanism /Whistle Blower policy has been posted on the website of the Company ([www.surbhi.com](http://www.surbhi.com))

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

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

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

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

## **DECLARATION OF INDEPENDENT DIRECTORS:**

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

## **SECRETARIAL AUDIT AND OBSERVATIONS**

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

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

## **SECRETARIAL STANDARD:**

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

## **TRANSACTIONS WITH RELATED PARTIES**

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Company has paid rent of Rs. 132000/- to Surbhi Textile Mills Private Limited. Which is as per Section 188 read with Rule 15 is not material related party transaction thus pursuant to Information on transactions with related parties under section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC- 2 is NIL and hence Form AOC -2 is not attached with report.

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

### **CONSERVATION OF ENERGY:**

Company's knitting and twisting plants are running with electricity which is supplied by the Dakshin Gujarat Viji Company Limited. The plants are periodically checked as a measure of periodical maintenance to minimal break

down and energy conservation. However, company' production facilities do not offer much scope for energy conservation.

The Company has internal process for continuous efforts towards reduction and optimization of energy consumption at its Corporate Office as well as all its manufacturing facilities by usage of latest available technical solutions. The Company also emphasizes to utilise the maximum natural sources of energy instead of using electricity.

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

The energy conservation measures taken are given as under during the financial year:

1. Total 9.67 lakh units were generated through wind mill.
2. Total 8.40 lakh units were generated through Ground mounted solar park.

Above units' credit were given by DGVCL against its electricity consumption by the unit.

b) **Steps taken by the company for utilizing alternate source of energy:** Company is using wind energy and solar energy as alternate source of energy and the electricity generated by the wind mill and solar was given as credit in the electricity bills raised by the DGVCL.

c) **Capital investment on energy conservation equipment:** Company has made investment in wind mill and solar.

**A. Power and Fuel Consumption:**

9	Particulars	2022-23	2021-22
1	<b>Electricity</b>		
(a.)	Purchased		
	Total Units (In lacs kw)	35.86	29.68
	Total Amount (In lacs Rs.)	276.38	215.18
	Rate / unit (In Rs.)	7.71	7.25
(b)	Own Generation		
	Wind Mill (units in lacs) (Credit was given in Electric Bill of Rs 65.30 lacs which amounts to Rs. 6.75 per unit)	9.67	9.30
	Ground Mounted Solar Park (units in lacs) (Credit was given in Electric Bill of Rs 40.91 lacs which amounts to Rs. 4.87 per unit)	8.40	-
	Surplus units of Solar Power (units in lacs) - (Sale Bill of Rs 6.25 lacs which amounts to Rs. 2.25 per unit)	2.77	-
2	<b>Diesel</b>	N.A.	N.A.
3	<b>Furnace Oil</b>	N.A.	N.A.
4	<b>Others</b>	N.A.	N.A.

**Technology absorption**

The Company's plant is running satisfactorily. Wind power generation production is going on.

During the financial year company has installed Ground Mounted Solar Park (Captive Use) at Dinod village, Surat in which having install capacity 1263.6 kW (DC) / 1120 kW (AC). Company has invested Rs. 5.23 CR for installation of Ground Mounted Solar Park. Injecting power at 11 kV opting to wheel solar power for captive use within the state and commission under the operative period of Gujarat Solar Policy - 2021.

No amount was used in research & development

**Foreign exchange inflow / out flow**

	Year 2022-23	Year 2021-22
Foreign Exchange inflow	Nil	Nil
Foreign Exchange outflow	10,31,235	Nil

## **CORPORATE SOCIAL RESPONSIBILITY:**

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

## **BOARD EVALUATION**

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

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

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

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

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

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2022-23.

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

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

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

## **CORPORATE GOVERNANCE**

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

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

## **COST AUDIT:**

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

## LISITNG

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

## PARTICULARS OF EMPLOYEES

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

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

Executive directors/ Non-executive director	Ratio to median
Ravjibhai Parbatbhai Patel	28.18 :1
Bipinbhai Jasmatbhai Patel	26.30 :1

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

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

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

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

\* Company operates in the field of textile where in most of the employees are on daily wages basis most of them are of operator, helper and cleaner category and due to high attrition and irregular presence the salary of average employees are around approximate Rs. 500-700 per day. In our case comparison of median salary of employee and KMP is not comparable.

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

130employees.

- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

\* Company operates in the field of textile where in most of the employees are on daily wages basis most of them are of operator, helper and cleaner category and due to high attrition and irregular presence the salary of average employees are around approximate Rs. 500-700 per day. In our case comparison of percentile increase already made in salary of employee and KMP is not comparable.

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

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

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

## TAXES:

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

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

#### **INDUSTRIAL RELATIONS**

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

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

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

No material changes or commitments, affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate, i.e. 31<sup>st</sup> March, 2023 and the date of Board Report. Company is assessing impact of COVID in the textile industry and the same is seen as major challenges to the industry. Now, the Economy had took recovery and Company will contribute towards the Economy of the Nation now onwards.

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

**Date:**25.05.2023  
**Place:** Surat

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

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

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

### **1. MANAGEMENT DISCUSSION:-**

#### **i. INDUSTRY STRUCTURE AND DEVELOPMENTS.**

As per report of INDIA BRAND EQUITY FOUNDATION Cotton production in India is projected to reach 7.2 million tonnes (43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers. India enjoys a comparative advantage in terms of skilled manpower and in cost of production, relative to major textile producers. India's textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country.

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

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

#### **ii. OPPORTUNITIES AND THREATS:**

However, international slow-down may have adverse impact on the growth the textile industry. The Indian cotton textile industry is expected to showcase a stable growth in FY 2023-24, supported by stable input prices, healthy capacity utilization and steady domestic demand. Government is providing various incentives under TUFs. The Customers also growing rapidly. At the same time, there is intense price pressure from the competitors and international financial crisis. Major threat is from international market and mainly from china. GST will impact most to the textile industry as the same is in most unorganized sector and implementation of GST will be seen as game changer to this industry. However, international slow-down may have adverse impact on the growth the textile industry.

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

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

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

#### **iv. OUTLOOK**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market. As a long term planning strategy, company is planning to develop cotton based technology. Company intend to launch new project in the field of textile particularly embroidery based production.

#### **v. RISKS AND CONCERNS:**

Now a day due to industrial slow down and change in market purchasing pattern Indian Textile Industry witness setback and down trade. Major fluctuations Rupee v/s dollar price corresponding to fluctuation in the raw material

price and stringent market conditions can affect the company's performance. Goods and Service Tax Act will have major impact on the industry and the same cannot be assessed at this point of time. Overall supply chain is affected internationally, that may pose a sincere concern for the entire economy.

**vi. INTERNAL CONTROL SYSTEM:**

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

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

Financial performance for the year 2022-23 has been declined and revenue of the company decreased from Rs. 2,97,019,739 to Rs. 2,86,558,567 i.e approx. 0.036 % decrease from previous year revenue. Operational margins of company were decreased as compare to previous year. In future company expected to provide better financial performance.

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

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

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

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

During the previous year 2021-22 company reported profit after tax of Rs. 11,128,639 and during the current financial year 2022-23 company attain profit after tax of Rs. 8,92,555. Most of the financial ratios are not comparable to previous year but major improvement shown to Inventory turnover ratio, current ration, debt service coverage ratio, return on equity ratio etc. Main reason to improve margins is higher utilisation of resource and increase in net revenue and decrease in financial cost and depreciation cost. Company had made net profit of Rs. 8,92,555 which is less than previous year net profit of Rs. 11,128,639 and that is the main reason to decrease in the net worth of the company. Following are the details of ratios:

<b>PARTICULAS</b>	<b>YEAR ENDED 31.03.2023</b>	<b>YEAR ENDED 31.03.2022</b>
Current Ratio	2.33	3.29
Debt Service Coverage Ratio	1.18	2.08
Return on Equity Ratio	0.01	0.07
Inventory Turnover Ratio	3.39	9.93
Trade payables Turnover Ratio	33.63	23.79
Net Capital Turnover Ratio	2.90	2.28
Return on Capital Employed	0.10	0.18

During the year over review Company has made sizable recovery from debtors and other current liabilities. Hence current ratio has reduced. Overall net profit after tax has reduced drastically due to increase in maintenance cost, employee expense and financial cost. This has resulted in reduction in Debt Service Coverage Ratio. Due to major increase in maintenance cost, employee expense and financial cost, net profit for the year has decreased. Due to major increase in maintenance cost, employee expense and financial cost, net profit for the year has decreased. Ratios are specifically explained in Note no. 05 to the Ind AS Financial Statements of Auditor report.

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

Return on Net worth has decreased during the year to 3.43to 3.95 as compared to previous year due to decrease in year on year profit and lower Inventory turnover and increase in maintenance cost.

## **2. DISCLOSURE OF ACCOUNTING TREATMENT**

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

### **INITIATIVES**

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

### **ANTI SEXUAL HARASSMENT POLICY**

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

### **CAUTIONARY STATEMENT**

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

### **ACKNOWLEDGMENT:**

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

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

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

**Date: 25.05.2023**  
**Place: Surat**

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

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



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

To  
The Board of Directors,  
Surbhi Industries Limited, Surat

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

- a) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year ended March 31, 2023 and that to the best of our knowledge and belief:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit committee that;
- i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

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

**Place: Surat**  
**Dated:25.05.2023**

**DECLARATION OF WHOLE-TIME DIRECTOR**

Pursuant to the Regulation 34, 53 read with Schedule V of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, it is hereby declared that all the Board Members and Senior Management Personnel of Surbhi Industries Limited have affirmed compliance with the Code of Conduct for Directors and Senior Management for the Financial Year ended March 31<sup>st</sup>, 2023.

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

**Place: Surat**  
**Dated:25.05.2023**

**Form No. MR-3**  
**Secretarial Audit Report**  
**For the Financial Year Ended 31<sup>st</sup> March, 2023**

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

To,  
The Members,  
**SURBHI INDUSTRIES LTD**  
"Surbhi House", 2nd Floor, FP NO 206,  
B/h Old Sub Jail, Ring Road, Khatodara Surat - 395002

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

Based on my verification of the **SURBHI INDUSTRIES LTD** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance - mechanism in the place to the extent, in the manner and subject to the reporting made hereafter :

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by **SURBHI INDUSTRIES LTD** ("the Company") for the financial year ended on March 31, 2023 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of foreign director investment, overseas direct investment and external commercial borrowings;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share based Employee Benefit ) Regulations, 2014 and The Securities and Exchange Board of India ( Share based Employee Benefits and Sweat Equity ) Regulations, 2021 - ( *Not applicable to the company during the audit period* )
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and Securities and Exchange Board of India ( Issue and listing of Non-Convertible Securities ) Regulations, 2021 ( *Not applicable to the company during the audit period* )

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 *(Not applicable to the company during the audit period)*

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the company during the audit period)*

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements ) Regulations, 2015

(j) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996 *(Not applicable to the company during the audit period)*

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

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

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

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

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

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

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

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

I further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

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

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

**Date: 25.05.2023**  
**Place: Ahmedabad**

**Sd/-**  
**Kishor Dudhatra**  
**Practicing Company Secretary**  
**M.NO.FCS: 7236 CP No. 3959**  
**Peer Review Certificate NO 1919/2022.**  
**UDIN: F007236E000375538**

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

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

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date: 25.05.2023**  
**Place: Ahmedabad**

**Sd/-**  
**Kishor Dudhatra**  
**Practicing Company Secretary**  
**M.NO.FCS: 7236 CP No. 3959**  
**Peer Review Certificate NO 1919/2022**  
**UDIN: F007236E000375538**

**Annexure - B**

<b>SR. NO.</b>	<b>FORM DETAILS</b>	<b>SECTION FOR / UNDER WHICH FORMS WAS FILED</b>	<b>SRN</b>	<b>DATE OF CHALLA N</b>	<b>WHETHER FILED WITHIN PRESCRIBE D TIME - YES/ NO</b>	<b>IF DELAY IN FILING WHETHER REQUISITE ADDITIONA L FEE PAID -</b>

						YES/ NO
1	FORM AOC-4XBRL	Pursuant to section 137 of the Companies Act, 2013 and rule 12(2) of the Companies (Accounts) Rules, 2014	T95153961	12-04-2022	NO	YES
2	Form CHG-1	Sections 77,78 and 79 and pursuant to Section 384 read with 77,78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules 2014	T95498952	14-04-2022	YES	NO
3	Form CHG-1	Sections 77,78 and 79 and pursuant to Section 384 read with 77,78 and 79 of the Companies Act, 2013 and Rule 3(1) of the Companies (Registration of Charges) Rules 2014	T97678791	26-04-2022	YES	NO
4	FORM MGT-14	Section 117 of the Companies Act,2013	F00220988	10-05-2022	NO	YES
5	FORM DPT-3	Rule 16 of the Companies(Acceptance of Deposits) Rules, 2014	F08254344	22-06-2022	YES	NO
6	FORM MGT-14	Section 117 of the Companies Act, 2013	F22097737	17-08-2022	YES	NO
7	FORM MGT-14	Section 117 of the Companies Act, 2013	F26171140	24-09-2022	YES	NO
8	FORM MGT -15	section 121(1) of the Companies Act, 2013 and Rule 31(2) of Companies (Management and Administration) Rules, 2014]	F27338391	03-10-2022	YES	NO
9	FORM AOC -4 XBRL	Pursuant to section 137 of the Companies Act, 2013 and rule 12(2) of the Companies (Accounts) Rules, 2014	F48468201	26-11-2022	NO	YES
10	FORM MGT-7	Section 92 of the Companies Act, 2013 and sub-rule (1) of rule 11of the Companies (Management and Administration) Rules, 2014	F50139781	29-11-2022	YES	NO
11	FORM MGT-14	Section 117 of the Companies Act,2013	AA143720 1	24-02-2023	NO	YES

Date: 25.05.2023  
Place: Ahmedabad

Sd/-  
Kishor Dudhatra  
Practicing Company Secretary  
M.NO.FCS: 7236 CP No. 3959  
Peer Review Certificate NO 1919/2022  
UDIN: F007236E000375538

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SURBHI INDUSTRIES LTD** having CIN: L17110GJ1992PLC017672 and having registered office at "SURBHI HOUSE" 2nd Floor, F.P. No. 206, B/h Old Sub-Jail, Ring Road, Khatodara, Surat Surat GJ 395002 IN (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 25.05.2023  
Place: Ahmedabad

Sd/-  
Kishor Dudhatra  
Practicing Company Secretary  
M.NO.FCS: 7236 CP No. 3959  
Peer Review Certificate NO 1919/2022  
UDIN: F007236E000381676

## SURBHI INDUSTRIES LIMITED

### CORPORATE GOVERNANCE

#### COMPANYS' PHILOSOPHY ON CORPORATE GOVERNANCE

*As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions specified in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not apply to our company.*

However, the Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions, Shareholders have right to have complete information about the Directors and Management and their interest in the company as well as governance practices followed by them. Towards this end, the company is making extensive disclosures from time to time.

#### Board of Directors

##### I. Composition and Category

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

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

The Board duly met 7 times on 12.05.2022, 02.08.2022, 17.08.2022, 03.09.2022, 22.10.2022, 02.02.2023, 31.03.2023 Notice of the meetings with agenda along with necessary details was sent to the directors in time. The names and categories of the Directors, their attendance at Board meetings and General Meeting as also position held by them in committees of other public limited companies as on 31<sup>st</sup> March 2023 are given below.

Name of the Director	Category	Attendance particular 2022-23				
		Board Meeting held During tenure of Director	Board Meeting Attended	Last AGM	No. of Directorship in other Public Ltd. Cos	Chairman/Membership in other public limited Cos.
1. SHRI BIPINBHAI PATEL	Executive	6	6	Y	-	-
2. SHRI RAVJIBHAI PATEL	Executive	6	6	Y	-	-
3. SHEETAL HARSH PATEL	Independent	7	7	Y	-	-
4. SATISH NARANDAS PATEL	Independent	7	7	Y	-	-

\* at the meeting of independent directors held on 31.03.2023 non-independent directors are not entitled to attend.

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

###### Brief resume of director to be reappointed

Mr. Ravjibhai P. Patel (DIN: 00023332) Managing Director is also the founder of our Company; he is serving the company since inception. His zeal and dedication towards work has helped the company to achieve greater heights. Our company needs his foresight and knowledge for future development

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

<b>Name of Director</b>	Mr. RAVJIBHAI PARBATBHAI PATEL
<b>Date of Birth</b>	9th November, 1956
<b>Date of Appointment</b>	21 <sup>st</sup> May 1992
<b>Qualification</b>	B.Com
<b>Expertise in specific functional areas</b>	Finance, Business Development
<b>List of Companies in which directorship is held as on</b>	N. A.
<b>Chairman / Member of the committee</b>	0
<b>Terms and Conditions of Re-appointment</b>	As per the resolution at Item No. 2 of the Notice convening this Meeting read with explanatory statement thereto
<b>Remuneration last drawn (including sitting fees, if any)</b>	Rs. 36,00,000 Lakh for FY. 2022-23 drawn as MD of the company.
<b>Remuneration proposed to be paid</b>	As per his original terms of appointment
<b>No. of Board Meetings attended during the year (out of * held)</b>	6/6
<b>Shareholding of the Director in the Company</b>	1,51,900 Equity shares of Face Value of Rs. 10 each (4.42%)
<b>Relationship with other Directors / Key Managerial Personnel</b>	Relative of Mr. Bipinbhai J. Patel Whole Time Director

As required under Companies Act, 2013 approval of members of the company is being sought for the reappointment of Mr. Ravjibhai P. Patel as Director of the company.

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

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

#### IV. Audit Committee

Audit Committee, during the year under review consist of three members out of them two are independent directors, Mr. Satish Patel, Independent Director, is a Chairman of the Audit Committee, and Mrs. Sheetal Harsh Patel, independent director and Mr. Bipinbhai Patel are members to the committee. The members of audit committees during the year 2022-23 are as under;

Committee met on 4 times for perusal of financial position and un-audited quarterly result and also met for the finalization of account for the year ended on 31.03.2023 and for the review of financial position of the company. The Accounts and Financial position perused by the Audit Committee were placed before board for their consideration.

#### ATTENDANCE

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

During the year under review committee met 04 times on 12.05.2022, 02.08.2022, 22.10.2022 and 02.02.2023.

#### V. NOMINATION & REMUNERATION COMMITTEE



Pursuant to Section 178 and in conformity with the requirements of code of Corporate Governance as well as under Schedule V of Companies Act, 2013 and under Regulation 19 of SEBI Listing Regulations, Remuneration Committee is reconstituted as **REMUNERATION & NOMINATION COMMITTEE** which comprises of two members who are independent and non-executive directors namely Mr. Satish Patel, Chairman and Mrs. Sheetal Harsh Patel as per the requirement of Code of Corporate Governance as well as under Schedule XIII and under SEBI(LODR) Regulations.

The Committee reviews and recommends the remuneration proposed to be paid to the Managing Director/Whole time Director and non-executive directors of the Company to the Board of Directors. The Committee is also empowered to decide on Employees' Stock Option Scheme as and when such scheme is considered for introduction in the Company.

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

**DETAILS OF REMUNERATIONS PAID TO MANAGING DIRECTORS /WHOLE TIME DIRECTORS DURING THE FINANCIAL YEAR 2022-23IS GIVEN HERE BELOW:**

(Amount in Rs.)

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

Notes:

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

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

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

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

During the year under review 2 meetings of Stakeholder's Relationship Committee meetings were held on 12.05.2022, 22.10.2022.

In SCORE portal there were no complaints pending for resolution in the previous years and during the current financial year no complaints were received and no complaint pending as on 31-03-2023.

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

All valid transfers received during the financial year 2022-23 if any, have been acted upon and Company and there is no pending share transfer for transfer except rejected on valid ground.

## Risk Management committee

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

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

- During the year under review, meetings of independent directors were held on 31<sup>st</sup> March, 2023.

## CODE OF CONDUCT

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

## Exclusive email id:

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

## VII. SHARE TRANSFER:

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

## IX. MARKET PRICE DATA:

Market price data: High, Low during each month in last financial year:

Month	Company's Share [Rs.]		BSE SENSEX	
	High	Low	High	Low
Month	No trading	No trading	60845.10	56009.07
Apr. 2022	No trading	No trading	57184.21	52632.48
May. 2022	No trading	No trading	56432.65	50921.22
Jun 2022	No trading	No trading	57619.27	52094.25
Jul. 2022	No trading	No trading	60,411.20	57,367.47
Aug. 2022	1.98	1.98	60,676.12	56,147.23
Sep. 2022	2.07	2.07	60,786.70	56,683.40
Oct. 2022	No trading	No trading	63,303.01	60,425.47
Nov. 2022	No trading	No trading	63,583.07	59,754.10
Dec. 2022	No trading	No trading	61,343.96	58,699.20
Jan. 2023	No trading	No trading	61,682.25	58,795.97
Feb. 2023	No trading	No trading	60,498.48	57,084.91
Mar. 2023	2.17	2.17	60845.10	56009.07

## X. MANAGEMENT DISCUSSION AND ANALYSIS:

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

## XI. ANNUAL GENERAL MEETINGS

31<sup>st</sup> Annual General Meeting of the members of SURBHI INDUSTRIES LIMITED will be held on Thursday the 24<sup>th</sup> day of August, 2023 at 10:00 A.M. at "Surbhi House", 2<sup>nd</sup> Floor, FP NO 206, B/h Old Sub Jail, Ring Road, Khatodara Surat - 395002

**Particulars of AGM held during last three year**

Year	Date	Time	Place of Meeting	Nos. of Special Resolutions Passed
2021-22	30/09/2022	10:00 A.M.	VC/OAVM	1
2020-21	30/09/2021	02:30 P.M.	Registered office	1
2019-20	30/09/2020	12:30 P.M.	Registered office	Nil

**XII. COMPLIANCE OFFICER:**

During the year 2022-23 Mrs. Hetal Joshi, Company Secretary acting as the Compliance Officer of the company.

**XIII. LISTING**

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

**XIV. STOCK CODE**

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

**XV. FINANCIAL RESULTS:**

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

**XVI. BOOK CLOSURE**

For updating records and shareholding information of the members of the company, The Register of Members and Share Transfer Books of the Company will remain close from Saturday, 19<sup>th</sup> August,2023 to Wednesday, 23<sup>rd</sup> August, 2023(both days inclusive)

**XVII. SHAREHOLDING PATTERN:**

Shareholding pattern as on 31.03.2023

<b>Indian</b>	
1.Promoters and Promoter Group	64.76
2. Public Shareholding	35.24
<b>Foreign</b>	
1. Promoters and Promoter Group	
2. Public Shareholding	
<b>TOTAL</b>	<b>100.00%</b>

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

**XVIII. REGISTERED OFFICE:**

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

**Plant Location**

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

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

**Registered Office:**

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

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

By order of the Board

Sd/-  
Bipinbhai Patel  
Chairman  
DIN: 00023447

Date: 25.05.2023

Place: Surat

## SURBHI INDUSTRIES LIMITED

### INDEPENDENT AUDITOR'S REPORT

To the Members of  
SURBHI INDUSTRIES LTD.

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the Financial Statements of SURBHI INDUSTRIES LTD ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2023, and the statement of profit and loss, (*statement of changes in equity*) and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as "the Financial Statements"].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit/loss, (*changes in equity*) and its cash flows for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, (*changes in equity*) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- a. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [~~and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.~~]
  - (c) [~~The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.~~]
  - (d) The Balance Sheet, the Statement of Profit and Loss, (the Statement of Changes in Equity) and the Cash Flow Statement dealt with by this Report are in agreement with the books of account [~~and with the returns received from the branches not visited by us.~~]
  - (e) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - (g) Since the Company's turnover as per last audited Financial Statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company does not have any pending litigations which would impact its financial position.
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - d.
      - i. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any

manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- ii The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - ii Based on such audit procedures which we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
  - i
- e The company has not declared or paid any dividend during the year is in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.

Place: Surat  
Date: 25/05/2023

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

Sd/-

Vikrant Bipinchandra Ghael  
Partner  
M.No. 112324

#### ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of SURBHI INDUSTRIES LTD. ("The Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

##### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in

all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**for GHAEL CHOKSI & COMPANY**  
**Chartered Accountants**

**Sd/-**

**VIKRANT BIPINCHANDRA GHAEL**  
**103, 1ST FLOOR, JASH INFINITY, B/H.OLD SUBJAIL, RING**  
**ROAD, SURAT-395002 GUJARAT**

**Place : SURAT**  
**Date : 25/05/2023**

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

**The Annexure referred to in our report to the members of SURBHI INDUSTRIES LTD for the year ended 31/03/2023.**

On the basis of the information and explanation given to us during the course of our audit, we report that:



- The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment
- The company is maintaining proper records showing full particulars of intangible assets.
- The Property, Plant and Equipment have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification and the same have been properly dealt with in the books of account.
- The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the company.
- The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year hence clause not applicable.
- The company do not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under hence clause not applicable.
- The physical verification of inventory has been conducted at reasonable intervals by the management and, in the opinion of the auditor, the coverage and procedure of such verification by the management is appropriate. No discrepancies has been noticed by the auditor and have been properly dealt with in the books of account.
- During the year under the review, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company,
- During the year under the review the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity [not applicable to companies whose principal business is to give loans].
- During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to parties other than subsidiaries, joint ventures and associates.
- During the year the company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to parties other than subsidiaries, joint ventures and associates.
- No investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- the company does not have any loans and advances in the nature of loans hence clause not applicable.
- For amount which is overdue for more than ninety days, reasonable steps have been taken by the company for recovery of the principal and interest.
- No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

- In respect of loans, investments, guarantees, and security, the provisions of sections 185 and 186 of the Companies Act have been complied with.
- The company has not accepted any deposit during the year hence clause not applicable.
- Maintenance of cost records has not been specified for the company by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. hence clause not applicable.
- A. The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities
- B. The statutory dues referred to in sub-clause (a) are not disputed on part of company.

Clause is not applicable

- There is no transaction which is not recorded in the books of account and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) on part of company.
- The company hasn't made any default in repayment of loans or other borrowings or in the payment of interest to a financial institution, bank, Government or dues to debenture holders.
- The company has not been declared as a willful defaulter by any bank or financial institution or other lender.
- The term loans were fully applied for the purpose for which the loans were obtained.
- No funds raised on short term basis have been utilised for long term purposes.
- The company has not taken funds from entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year hence clause not applicable.
- The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- We have neither noticed nor have any information of reporting of any fraud by the company or any fraud on the company.
- No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- No whistle-blower complaints has been received during the year by the company.
- The Company is not a Nidhi Company hence clause not applicable.
- The Company is not a Nidhi Company hence clause not applicable.

- All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards.
- The company has an internal audit system commensurate with the size and nature of its business.
- The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.
- The company hasn't entered into any non-cash transactions as referred to in section 192 of Companies Act with directors or persons connected with him.
- The company is not required to be registered under section 451A of RBI Act, 1934. Hence clause not applicable.
- The company is not a Non-Banking Financial or Housing Finance company hence Clause is not applicable.
- The company is exempted or unregistered CIC, and it continues to fulfil such criteria.
- The company has not incurred an cash losses in the financial year and in the immediately preceding financial year.
- There has been no resignation of the statutory auditors during the year.
- On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, the auditor is of the opinion that no material uncertainty exists as on the date of the audit report and company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- There has been no ongoing projects run by company during the year, hence clause is not applicable.
- No amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
- Consolidated Financial Statements are not prepared in respect of the company, hence this clause is not applicable.

**FOR GHAEL CHOKSI & COMPANY**  
Chartered Accountants  
Sd/-

**VIKRANT BIPINCHANDRA GHAEL**  
103, 1ST FLOOR, JASH INFINITY, B/H.OLD SUBJAIL, RING  
ROAD, SURAT-395002 GUJARAT

Place: SURAT  
Date: 25/05/2023

**Surbhi industries Ltd**  
**Balance Sheet As At 31<sup>st</sup>Mar,2023**

Particulars	Note	As at 31 <sup>st</sup> Mar,2023 (Amount in "RS.")	As at 31 <sup>st</sup> Mar,2022 (Amount in "RS.")
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property , Plant and Equipment	1	188708245	154708062

(b) Financial Assets			
(i) Investments	2	2180700	2180700
(ii) Loans & Advance	3	3508517	3432881
(c) Deferred tax assets (net)	4	0	7763946
<b>Current assets</b>			
(a) Inventories	5	61595743	27696940
(b) Financial Assets			
(i) Trade Receivable	6	41023898	50732830
(ii) Cash and cash equipments	7	147112	5205993
(c) Other Current Assets	8	55152719	91377126
<b>Total Assets</b>		<b>352316935</b>	<b>343098478</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	34374000	34374000
(b) Other Equity	9	118056206	135817384
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Loans	10	116203319	115999162
(b) Provisions	11	1937000	1937000
(c) Deferred tax liabilities (net)	12	11528628	0
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Loans	13	22425743	19619212
(ii) Trade paybles	14	5509992	6753516
(b) Other current Liabilities	15	21072000	25704000
(c) Provisions	16	21210046	2894205
<b>Total Equity and Liabilities</b>		<b>352316935</b>	<b>343098478</b>
<b>See accompanying notes forming parts of the financial statements</b>			
<b>In terms of our report attached of the even date</b>			
<b>For, Ghael Choksi &amp; Co.</b>		<b>For and on behalf of Board of Directors</b>	
<b>Chartered Accounts</b>		<b>Surbhi Industries Ltd.</b>	
<b>FRN: 0153978W</b>			
<b>Sd/-</b>		<b>Sd/-</b>	<b>Sd/-</b>
<b>Vikrant Bipinchandra Ghael</b>		<b>Ravjibhai P. Patel</b>	<b>Bipinbhai J. Patel</b>
<b>M. No. 112324</b>		<b>Director</b>	<b>Director</b>
<b>Date: 25<sup>th</sup>May,2023</b>		<b>DIN: 00023332</b>	<b>DIN : 00023447</b>
<b>Place: Surat</b>			<b>Date: 25<sup>th</sup> May,2023</b>
			<b>Place: Surat</b>
<b>UDIN: 23112324BGXEPG3563</b>			

**SURBHI INDUSTRIES LTD**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31/03/2023**

Sr. No	Particulars	Note	As at 31 <sup>st</sup> March,2023 (Amount in "RS.")	As at 31 <sup>st</sup> March,2022 (Amount in "RS.")
I	Revenue from operations	17	270865243	286111032

II	Other Income	18	15693323	10908707
III	<b>III. Total Revenue (I +II)</b>		<b>286558567</b>	<b>297019739</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	19	177932965	173977740
	Purchase of Stock-in-Trade			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade Increase(Decrease)	20	(25665933)	(9343152)
	Employee Benefit Expense	21	33382788	25569713
	Financial Costs	22	15021326	10810621
	Depreciation and Amortization Expense	23	34801459	37194398
	Other Expenses	24	50193407	39384128
	<b>Total Expenses (IV)</b>		<b>285666012</b>	<b>277593449</b>
V	<b>Profit/(loss) before exceptional items and tax (I-IV)</b>		<b>892555</b>	<b>19426290</b>
VI	Exceptional Items			-
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>892555</b>	<b>19426290</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax	25	0	6928736
	(2) Deferred tax			1368915
IX	Profit(Loss) from the period from continuing operations (VII-VIII)		892555	11128639
X	Profit (Loss) for discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(Loss) from discontinuing operations (after tax) (X+XII)		-	-
XIII	Profit/(Loss) for the period (IX + XII)		892555	11128639
XIV	Other Comprehensive Income			
A.	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to Profit & Loss		-	1,59,645
B.	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to Profit & Loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		892555	11288284
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		0.26	3.28
	(2) Diluted		-	-
XVII	Earnings per equity share (for continuing operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for continuing operation):			
	(1) Basic		0.26	3.28
	(2) Diluted		-	-

See accompanying notes forming part of the financial statements  
In terms of our report attached of the even date

For, Ghael Choksi & Co.

Chartered Accounts

FRN: 0153978W

Sd/-

Vikrant Bipinchandra

Ghael

M. No. 112324

Date: 25.05.2023

Place: Surat

UDIN: 23112324BGXEPC3563

For and on behalf of Board of  
Directors  
Surbhi Industries  
Ltd.

Sd/-

Ravjibhai P. Patel

Director

DIN: 00023332

Place: Surat

Sd/-

Bipinbhai J.  
Patel

Director

DIN : 00023447

M/S. SURBHI INDUSTRIES LTD.

Cash Flow Statement for the year ended on 31.03.2023

	FY 2022-23		FY 2021-22	
<b>A. Cash Flow from Operating Activities</b>				
Net Profit Befor Tax	892555		19426290	
Adjustments For :				
Add: Deprecition	34801459		37194398	
Financial Charges	15021326		10810621	
	<b>49822785</b>		<b>48005019</b>	
Less: Investment Income	1309274		1764400	
Profit on sale of Fixed Assets	-198967		0	
	<b>1110307</b>		<b>1764400</b>	
<b>Operating Profit before Working Capital Changes</b>		<b>49605033</b>		<b>65666909</b>
<b>Adjustment for Working Capital Changes</b>				
<b>Cash Inflow</b>				
Decrease in Receivables				
Decrease in Other Current Assets				
Decrease in Trade & Other Receivable				
Increase in Long Term Provsions	0		0	
Increase in Short Term Provsions	18315842		1077857	
Increase in Other Cuirrent Liabilities	-4632000		2208000	
Increase in Trade Payables	-1243524		-2093064	
	<b>12440317.62</b>		<b>1192792.6</b>	
<b>Cash Outflow</b>				
Decrease in Trade Payables	0		0	
Decrease in Short Term Provsions	0		0	
Decrease in Other Cuirrent Liabilities	0		0	
Increase in Trade & Other Receivable	-9708932		-1829000	
Increase in Loans & Advances	75636		-72146	
Increase in Other Current Assets	-36224406		42741794	
Increase in Inventory	33898803		6502486	
	<b>-11958899</b>		<b>47343134</b>	
<b>Net Cash Inflow(outflow) for working Capital</b>		<b>24399217</b>		<b>-46150342</b>
<b>Cash From Operations</b>				
Less: Direct Taxes Paid		<b>638841</b>		<b>-6769091</b>
<b>Net Cash Flow from Operating Activities</b>		<b>74643090</b>		<b>12747477</b>
<b>B. Cash Flow from Investing Activities</b>				
<b>Cash Inflow</b>				
Decrease in FD	0		0	
Investment Income	1309274		1764400	
Decrease in Long Term Loans and Advances	0		0	
Sale of Fixed Assets	411000		0	
Subsidy Received	0		0	
	<b>1720274</b>		<b>1764400</b>	
<b>Cash Outflow</b>				
Purchase of Fixed Assets	69411609		115910656	
Increase Investments	0		7000	
Increase FD	0		0	
Increase in other Non Current Assets	0		0	
	<b>69411609</b>		<b>115917656</b>	
<b>Net Cash Inflow(Outflow) in Investing Activities</b>		<b>-67691335</b>		<b>-114153256</b>

M/S. SURBHI INDUSTRIES LTD.

Cash Flow Statement for the year ended on 31.03.2023

<b>C. Cash Flow from financing Activities</b>				
<b>Cash Inflow</b>				
Increase in working Capital Loans	2806532		7460574	
Increase in Term Loan(Net)	204158		109365718	
Increase in share capital				
	<b>3010689</b>		<b>116826292</b>	
<b>Cash Outflow</b>				
Financial Charges	15021326		10810621	
Repayment of Term loans	0		0	
Repayment of Deposits	0			
Decrease in short term borrowing	0			
	<b>15021326</b>		<b>10810621</b>	
<b>Net Cash Inflow(Outflow) in Financing Activities</b>		<b>-12010637</b>		<b>106015671</b>
<b>Net Cash Flow</b>		<b>-5058882</b>		<b>4609890</b>
<b>Net Cash Changes</b>				
Cash and Bank as on 1st April	5205993		596104	
Cash and Bank as on 31st Mar	147112	<b>5058882</b>	5205993	<b>-4609890</b>

For and on behalf of the Board

Sd/-  
Director

Sd/-  
Director

UDIN : 23112324BGXEFG3563

For, Ghael Choksi & Co.  
Chartered Accounts

sd/  
Vikrant Bipinchandra Ghael  
M. No. 112324  
Date: 25th May,2023  
Place:Surat

SURBHI INDUSTRIES LTD  
SURBHI HOUSE, 2ND FLOOR, F.P. NO. 206, B/H OLD SUB JAIL, RING ROAD, KHATODARA, SURAT,  
GUJARAT-395002  
CIN : L17110GJ1992PLC017672

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31.03.2023

1. Notes to the Ind AS Financial Statements for the year ended 31st March, 2023  
(All amounts are in INR Actual, unless otherwise stated)

**a. COMPANY OVERVIEW:**

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

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

**b. Basis of measurement:**

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

### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **C. Functional and Presentation Currency:**

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

## **2. Significant Accounting Policies**

### **a. Method of Accounting**

The company is following mercantile system of Accounting on Exclusive of Tax Basis. There is no effect on profit because of said deviation from the method of accounting prescribed under the IncomeTaxAct,1961.

### **b. Investment/Loans&Advances**

Investment/Loans & Advances, if any are stated at cost of acquisition including transfer cost,if any.

### **c. Taxation**

Provision for deferred tax assets resulting from brought forward losses & unabsorbed Depreciation has been recognised after considering available evidence that sufficient future taxable Income will arise against which such assets can be set off.



#### **d. Revenue Recognition**

Revenue is recognized at the Point of issuance of bill.

#### **e. Books of Accounts**

Preparation and Maintenance of accounts is the responsibility of the concerned assessee and its management. We have examined the books of accounts maintained and furnished before us for verification on random basis and have expressed our opinion on the basis of random verification of books of accounts with corresponding bills and vouchers furnished along with explanation given as and when asked for the purpose of audit.

#### **f. Accounting for GST**

The Company has followed Exclusive Method of Accounting as prescribed under the Accounting Standard issued by ICAI in this regard. Since Exclusive method of GST is used and GST credit availed and Utilized are accounted for in a separate Account, there is no effect on profit as per Income Tax Act because of said deviation from accounting standard prescribed U/s. 145A of the said Act. Amount of GST Receivable as on 31.03.2023 is shown under Note 8 'Other Current Assets' on Balance sheet.

#### **g. Stock**

Stock is taken, valued and certified by the Directors / management of the Company and we have relied upon the same. Stock is valued at "cost or market value, whichever is less" basis

#### **h. Fixed Assets**

► The Expenditure which are the capital nature are capitalized at cost (net of Rebate & Allowances) and are shown in the Balance Sheet at their written down value Depreciation is provided at the rate prescribed under the Companies Act 2013 by following straight line method.

► Plot and Land are stated at their cost of Acquisition.

#### **i. Interest On Borrowed Capital**

The Company has provided interest on borrowed capital from Bank as per Bank Statement and are paid to Bank within agreed period.

j. With regard to loan or deposit accepted or repaid exceeding Rs. 20,000/- by a/c payee cheques/drafts as mentioned u/s. 269SS and 269T, it is not practical for us to verify whether the transaction is by a/c payee cheques / draft as the necessary evidences are not with the Directors / management of the Company but with the bank. However, we have obtained the certificate from the Directors / management of the Company that transactions relating to sec. 269SS and 269T were entered into by account payee cheques drawn on a bank or account payee bank draft only.

k. With regard to payment made exceeding Rs. 10,000/- by a/c payee cheques / drafts as mentioned u/s. 40A(3), it is not practical for us to verify whether the payment is by a/c payee cheques / draft as the necessary evidences are not with the Directors / management of the Company but with the bank. However, we have obtained the certificate from the Directors / management of the Company that payments relating to any expenditure covered u/s. 40A(3) were made by account payee cheques drawn on a bank or account payee bank draft only

1. Breakup of expenses among GST Registered and Unregistered dealers are provided by the company management and we have relied upon the same.

2. Previous Year's figure has been re-grouped, re-arranged wherever considered necessary to meet the requirements of the current year.

**4. RELATED PARTY DISCLOSURE:**

**a) List of related party:**

Name of Related Party	Relationship
RAVJIBHAI P. PATEL	Key Managerial Person / Director
BIPINBHAI J. PATEL	Key Managerial Person / Director
SHEETAL HARSH PATEL	Key Managerial Person / Director
SATISH NARANDAS PATEL	Key Managerial Person / Director

**Notes:**

- i. The related party relationships have been determined on the basis of the requirements of the Accounting Standard (AS) -18
- ii. The relationships as mentioned above pertain to those related parties with whom transactions have taken place during the period.

**b) Transactions during the period with related parties:**

Nature of transaction	Related Parties	Transactions during the Year	
		F.Y. 2022-23 (Rs.)	F.Y. 2021-22 (Rs.)
DIRECTOR REMUNIRATION	BIPINBHAI JASMATBHAI PATEL	33,60,000	27,18,000
DIRECTOR REMUNIRATION	RAVJIBHAI PARBATBHAI PATEL	36,00,000	36,00,000
3 RENT	SURBHI TEXTILES MILLS PVT	1,32,000	132,000

**5. Ratios:**

Sr. No.	Particulars	Numerator	Denominator	2022-2023	2021-2022	Variance (%)
1	Current Ratio	Current Assets	Current Liabilities	2.33	3.29	-29.18%
2	Debt-Equity Ratio	Total Debt	Shareholder's Funds	0.76	0.68	11.76%
3	Debt Service Coverage Ratio	EBITDA	Long term debt serviced &finance cost	1.18	2.08	-43.27%
4	Return on Equity Ratio	Net Profit	Avg. shareholder's fund	0.01	0.07	-85.71%
5	Inventory Turnover Ratio	Net Sales	Average Stock Carried or Inventory	3.39	9.93	-49.63%
6	Trade Receivables Turnover Ratio	Credit Sales	Average Accounts Receivable	6.60	5.64	17.02%
7	Trade payables Turnover Ratio	Credit Purchases	Average Accounts Payable	33.63	23.79	32.72%
8	Net Capital Turnover Ratio	Sales or Cost of Sales	Net Working Capital	2.90	2.28	27.19%
9	Net Profit Ratio (%)	Net Profit	Sales	0.33	3.89	-3.56%
10	Return on Capital Employed	Earnings Before Interest and Tax	Capital Employed	0.10	0.18	-44.44%
11	Return on Investment (%)	Income From Investment	Total Investment	0.59	6.54	-5.95%

**Reasons for Significant Variations in the ratios:**

Sr. No.	Ratios	Reason for Variances (>25%)
1.	Current Ratio	Company has made sizable recovery from debtors and other current liabilities.Hence ratio has reduced (favourable)
2.	Debt Service Coverage Ratio	Overall net profit after tax has reduced drastically due to increase in maintenance cost, employee expense and financial cost. This has resulted in Debt Service Coverage Ratio.
	Return on Equity Ratio	Due to major increase in maintenance cost, employee expense and financial cost, net

3.		profit for the year has decreased.
4.	Trade Receivables Turnover Ratio	Stock holding for the year end has increased more than double, whereas sale has remained stagnant. Therefore inventory turnover ratio has increased.
5.	Trade payables Turnover Ratio	Company has made payment to suppliers and overall balance payable to suppliers has reduced resulting into reduction in Trade payables Turnover Ratio.
6.	Net Profit Ratio (%)	Due to major increase in maintenance cost, employee expense and financial cost, net profit for the year has decreased.
7.	Return on Investment (%)	Due to major increase in maintenance cost, employee expense and financial cost, net profit for the year has decreased.

#### 6. Details of creation and satisfaction of charge:

ANN A			
1) LOAN SCHEDULE		YEAR 2022-23	YEAR 2021-22
<b>SECURED LOANS/BORROWING :-</b>			
1	T/L BANK OF BARODA 89910600001161		12089996.5
2	T/L BANK OF BARODA 89910600002075	82544000	97436000
3	T/L BANK OF BARODA 89910600002344	12202758	12177165
4	T/L BANK OF BARODA 89910600002456	42528561	20000000
	<b>TOTAL</b>	<b>137275319</b>	<b>141703161.5</b>
<b>All above loans are obtained on hypothecation of Plant, Machinery and Factory Building.</b>			
CURRENT MATURITY OF LONG TERM DEBTS		21072000	25704000
LONG TERM BOROWING		116203319	115999161.5
		<b>137275319</b>	<b>141703161.5</b>

#### 7. Other Information

Other Information		
Contingent Liability and Commitments:		NIL
Commitments providing Estimated amount of contracts remaining to be executed on capital account and not provided for or uncalled liability on shares and other investments partly paid if any:		NIL
<b>Other Commitments such as:</b>		
a. Letter of credit issued:		NIL
b. Dividend Proposed and Arrears of Dividends:		NIL
c. Amount of securities issued for specific purpose:		NIL
d. Assets other than property, plants and equipment and intangible assets and non-current investments which don't have a value on realization in the ordinary course of business at least equal to the amount at which they are stated:		NIL
e. Value of imports on CIF Basis:		
	Capital goods	NIL
	Raw materials (Spare)	NIL
f. Expenditure in Foreign Currency during the year on account of royalty, know-how, professional and consultation fees, interest and other matters:		NIL
g. Imported and Indigenous Consumption:		
	Imported Consumption	NIL
	Indigenous Consumption	NIL
h. Dividend remitted in foreign currencies:		NIL
i. Earning in Foreign Exchange:		NIL
j. Undisclosed Income:		NIL
k. Details of Crypto Currency or Virtual Currency:		NIL

**8. Whether fund borrowed are utilized for the same purpose for which they are obtained. If not, then report amount of utilization of fund other than purpose.**

Utilisation of Borrowed funds and share premium:	
<p>(A) Where company has advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the</p> <p>(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or</p> <p>(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; the company shall disclose the following:-</p> <p>(I) Date and amount of fund advanced or loaned or invested in Intermediaries with complete details of each Intermediary.</p> <p>(II) Date and amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries alongwith complete</p> <p>(III) Date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries</p> <p>(IV) Declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and 28 the transactions are not violative of the Prevention of Money Laundering act, 2002 (15 of 2002).</p>	<p>Company has not given any advance.</p>
<p>(B) Where a company has received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall</p> <p>(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or</p> <p>(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, the company shall disclose the following:-</p> <p>(I) Date and amount of fund received from Funding parties with complete details of each Funding party.</p> <p>(II) Date and amount of fund further advanced or loaned or invested other intermediaries or Ultimate Beneficiaries alongwith complete details of the other intermediaries' or ultimate beneficiaries</p> <p>(III) Date and amount of guarantee, security or the like provided to or on behalf of the Ultimate Beneficiaries</p>	<p>No such transaction or agreement are entered into.</p>

(IV) Declaration that relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering act, 2002 (15 of 2003);

**9. In the opinion of the Directors:**

The current assets and loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

The above information is given to the extent available with the Company

<b>For, Ghael Choksi &amp; Co.</b>	<b>For and on behalf of Board of Directors</b>	
<b>Chartered Accounts</b>	<b>Surbhi Industries Ltd.</b>	
<b>FRN: 0153978W</b>		
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Vikrant Bipinchandra Ghael</b>	<b>Ravjibhai P. Patel</b>	<b>Bipinbhai J. Patel</b>
<b>M. No. 112324</b>	<b>Director</b>	<b>Director</b>
	<b>DIN: 00023332</b>	<b>DIN : 00023447</b>
<b>Date: 25th May,2023</b>	<b>Date: 25th May,2023</b>	
<b>Place: Surat</b>	<b>Place: Surat</b>	

Surbhi industries ltd												
Note 1 Property Plant and Equipment												
(Amount in Rs.)												
Particulars	Gross Block					Accumulated Depreciation					Net Block	
	Balance as at 01/04/2022	Addition	Deduction	Retained earnings	Balance as at 31/03/2023	Balance as at 01/04/2022	Depreciation for the year	Deduction	Depr Fund	Balance as at 31/03/2023	Balance as at 31/03/2022	
Land	2,400,760	-	-	-	2,400,760	-	-	-	-	2,400,760	2,400,760	
Factory Building	22,502,342	-	-	-	22,502,342	13,235,430	831,978	-	14,067,409	8,434,933	9,266,912	
Plant & Machinery	470,123,734	19,258,193	14,205,546	-	475,176,381	353,214,726	28,091,791	-	381,306,517	93,869,864	116,909,008	
Office Equipment	3,319,436	1,365,435	-	-	4,684,871	2,488,183	318,095	-	2,806,277	1,878,594	831,253	
Electrification	6,723,435	-	-	-	6,723,435	3,432,566	375,431	-	3,807,997	2,915,438	3,290,869	
Vehicles	276,450	-	-	-	276,450	233,832	45,439	-	279,271	(2,821)	42,618	
Computer	1,674,697	-	-	-	1,674,697	1,461,634	44,660	-	1,506,294	168,402	213,063	
Furniture & Fixtu.	2,363,812	2,063,596	-	-	4,427,408	794,567	246,280	-	1,040,848	3,386,561	1,569,244	
Testing & Lab Equip.	240,222	-	-	-	240,222	210,280	3,034	-	213,314	26,908	29,942	
Tube Well	57,612	-	-	-	57,612	47,467	1,947	-	49,414	8,198	10,145	
Water Tank	23,990	-	-	-	23,990	18,035	3,990	-	22,025	1,965	5,955	
Motor Car	16,853,982	3,616,667	1,689,384	-	18,781,265	9,255,293	1,729,012	1,079,417	9,904,889	8,876,376	7,598,689	
Other Machinery	1,689,745	-	-	-	1,689,745	432,812	83,849	-	516,661	1,173,084	1,256,933	
Office Building	2,295,202	-	-	-	2,295,202	559,356	-	-	559,356	1,735,846	1,735,846	
Solar Power Plant	8,602,766	58,994,636	-	-	67,597,402	737,312	3,025,954	-	3,763,265	63,834,137	7,865,454	
Knitting Project (WIP)	0	-	-	-	0	-	-	-	-	0	0	
Solar Park (WIP)	1,681,371	4,540,178	6,221,549	-	0	-	-	-	-	0	1,681,371	
<b>Current Year Total</b>	<b>540,829,556</b>	<b>89,838,704</b>	<b>22,116,479</b>	<b>-</b>	<b>608,551,781</b>	<b>386,121,494</b>	<b>34,801,459</b>	<b>1,079,417</b>	<b>419,843,536</b>	<b>188,708,245</b>	<b>154,708,062</b>	
<b>Previous Year Total</b>	<b>424,918,900</b>	<b>121,864,847</b>	<b>5,954,191</b>	<b>-</b>	<b>540,829,556</b>	<b>348,927,096</b>	<b>37,194,398</b>	<b>-</b>	<b>386,121,494</b>	<b>154,708,062</b>	<b>75,991,803</b>	

<b>Note 2 Non- Current Investment</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Non -Trade Investment</b>		
Investment in Equity Instrument		
8,150 Equity Shares Surbhi Textile Mills Pvt Ltd (Unquoted)	2,001,000	2,001,000
1,727 Equity Shares Surat People's Co. Op. Bank Ltd (Unquoted)	172,700	172,700
Knitters Asso. Of Western India	7,000	7,000
<b>TOTAL</b>	<b>2,180,700</b>	<b>2,180,700</b>
<b>Note 3 Long Term Loans And Advances</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Security Deposites	3,508,517	3,432,881
<b>TOTAL</b>	<b>3,508,517</b>	<b>3,432,881</b>
<b>Note 4 Deferred Tax</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Deferred Tax Assets	-	7,763,946
<b>TOTAL</b>	<b>-</b>	<b>7,763,946</b>
For Detail Refer Note No. 29		
<b>Note 5 Inventories</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Raw Material	14,165,128	6,046,643
Work in Progress	3,670,358	4,616,664
Finished Goods	43,248,421	16,636,182
Stores and Spares	325,665	275,936
Oils and Chemical	70,935	58,935
Packing Materials	115,236	62,580
<b>TOTAL</b>	<b>61,595,743</b>	<b>27,696,940</b>

<b>Note 6 Trade Receivable</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Unsecured , Considered Good</b>		
Less than Six month	38,938,368	48,949,203
More than Six month	2,085,530	1,783,627
<b>TOTAL</b>	<b>41,023,898</b>	<b>50,732,830</b>
<b>Note 7 Cash And Cash Equipments</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Cash on Hand	12,310	46,857
Balance With Bank	134,802	5,159,136
<b>TOTAL</b>	<b>147,112</b>	<b>5,205,993</b>
<b>Note 8 Other Current Assets</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Prepaid Expenses	1,521,304	1,519,708
Advance Tax	300,000	-
ITC Receivable	12,862	105,075
CGST Input Credit	15,639,666	10,211,898
SGST Input Credit	9,900,255	7,494,722
IGST Input Credit	-	9,078,847
CGST ITC Pending	24,097	89,724
SGST ITC Pending	24,097	89,724
IGST ITC Pending	-	3,960
Gst Refund Receivable	-	1,604,599
Fixed Deposit With Bank	16,438,628	15,306,493
Investment In Mutual Fund	10,505,402	10,505,402
Advances for Assets Purchase	-	35,000,000
Loan Advance to staff	235,580	254,500
Interest receivable on GEB Deposit	127,734	-
TCS Receivable	20,951	-
TDS (31.03.2023)	402,144	112,474
<b>TOTAL</b>	<b>55,152,719</b>	<b>91,377,126</b>



<b>Note 9 Share Capital</b>				
<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2023 (Amount in "Rs.")</b>		<b>As at 31<sup>st</sup> March, 2022 (Amount in "Rs.")</b>	
<b>Authorised</b>				
50,00,000 (PY 50,00,000) Equity shares Of Rs. 10 each	50,000,000		50,000,000	
<b>Issued &amp; Subscribed Capital</b>				
34,37,400 (PY 34,37,400) Equity shares Of Rs. 10 each	34,374,000		34,374,000	
<b>Paid up Capital</b>				
34,37,400 (PY 34,37,400) Equity shares Of Rs. 10 each	34,374,000		34,374,000	
<b>Total</b>	<b>34,374,000</b>		<b>34,374,000</b>	
The Company has only one class of share referred to as equity shares having a par value of Rs. 10/- Each Each holder of equity shares is entitled to one vote per share.				
Board Of Directors of Company has not proposed any dividend for the current reporting period.				
The reconciliation of the number of shares outstanding and the amount of share capital as at March 31,2021 and March 31 ,2022 is set out below:				
<b>Particulars</b>	<b>As at 31st March 2023</b>		<b>As at 31st March 2022</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
Shares outstanding at the beginning of the year	3,437,400	34,374,000	3,437,400	34,374,000
Shares issued during the year	-	-	-	-
Shares Bought Back During the year	-	-	-	-
Shares Outstanding at the end of the year	3,437,400	34,374,000	3,437,400	34,374,000
Details of Share held by each share holder (Holding More than 5% Shares)				
<b>Name of Share Holder</b>	<b>As at 31st March 2023</b>		<b>As at 31st March 2022</b>	
	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
No Shareholders are holding shares more than 5%				

**Surbhi industries ltd**  
**Statement of Changes in Equity for the Year Ended 31st Mar, 2023**

**A. Equity Share Capital**

Particulars	Number of	Amount in Rs.
<b>Equity Shares of Rs. 10 each issued, subscribed &amp; fully paid</b>		
<b>As at 31st March, 2022</b>	3437400	34,374,000
<b>As at 31st March, 2023</b>	3437400	34,374,000

**B. Other Equity**

Particulars	Other Equity		Other items of Other Comprehensive Income (specify nature)	(Amount in Rs.) Total
	Other Reserves (Capital Reserve)	Retained Earnings		
<b>As at 1st April, 2022</b>	<b>2,500,000</b>	<b>133,317,385</b>	<b>0</b>	<b>135,817,384</b>
Changes in accounting policy or prior period errors	0	0	0	0
Restated balance at the beginning of the reporting period	0	0	0	0
Profit/Loss during the current period	0	<b>892,555</b>	0	<b>892,555</b>
Profit on sale of asset	0	<b>0</b>	0	<b>0</b>
Other Transferred	0	<b>-18,653,734</b>		
Comprehensive Income for the year	0	0	0	<b>0</b>
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Transfer to retained earnings	0	0	0	<b>0</b>
<b>As at 31st March, 2023</b>	<b>2,500,000</b>	<b>115,556,206</b>	<b>0</b>	<b>118,056,206</b>

**For, Ghael Choksi & Co.**  
**Chartered Accounts**  
**FRN: 0153978W**

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

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

Sd/-  
**Ravjibhai P. Patel**  
**Director**  
**DIN: 00023332**

Sd/-  
**Bipinbhai J. Patel**  
**Director**  
**DIN : 00023447**

**Date: 15th May, 2023**

**Place: Surat**

**Date: 15th May, 2023**

**Place: Surat**

<b>Note 10 Long Term Borrowing</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Term Loan - Secured</b>		
Bank of Baroda bank	116,203,319	115,999,162
Hypothecation of Plant & Machinery		
Euitable mortgage Of Land and Building		
<b>TOTAL</b>	<b>116,203,319</b>	<b>115,999,162</b>
<b>Note 11 Long Term Provision</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Employee Benefits</b>		
Gratuity	1,937,000	1,937,000
<b>TOTAL</b>	<b>1,937,000</b>	<b>1,937,000</b>
<b>Note 12 Deferred Tax</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Deferred Tax Liabilities	11,528,628	-
<b>TOTAL</b>	<b>11,528,628</b>	<b>-</b>
<b>Note 13 Short Term Borrowings</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Secured</b>		
Working Capital From Dena bank (C.C A/c) & FCDL	22,425,743	19,619,212
<b>TOTAL</b>	<b>22,425,743</b>	<b>19,619,212</b>

<b>Note 14 Trade Paybles</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Sundry Creditor for Goods</b>		2,174,955
MSME	2,631,560	
Non-MSME (Advance Given to Customer)	(917,067)	
<b>Sundry Creditor for Expenses</b>		4,578,561
MSME	152,503	
Non-MSME	3,642,996	
<b>TOTAL</b>	<b>5,509,992</b>	<b>6,753,516</b>

<b>Note 15 Other Current Liabilities</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Current Maturities Of Long tem Debts	21,072,000	25,704,000
<b>TOTAL</b>	<b>21,072,000</b>	<b>25,704,000</b>

<b>Note 16 Short Term Provision</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Provident Fund Payble	52,600	55,858
Tds Payble	260,742	341,044
Professional Tax Payble	1,599	1,400
Gst Cash Ledger	0	0
Salary payable	406,700	326,700
Wages Payble	1,351,717	1,236,538
Provision For Listing Fees	0	0
Income Tax Payable	0	904,147
TCS Payable	8,292	11,245
GST Payble	19,128,396	17,272
<b>TOTAL</b>	<b>21,210,046</b>	<b>2,894,205</b>

<b>Note 17 Revenue From Operations</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Sale Of Products	273,062,675	292,088,434
Sale Of Products Return	(2,197,432)	(5,977,402)
<b>TOTAL</b>	<b>270,865,243</b>	<b>286,111,032</b>

<b>Note 18 Other Income</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
F.D. Interest	1,257,464	1,738,495
Interest On GEB Deposit	127,734	83,496
Discount & Rebates Received	285,060	134,740
Stcg on Mutual Fund	-	6,177
Dividend Income	51,810	25,905
Windmill Income	6,530,991	5,438,508
Profit on Sales of Plant & Machinery	-	150,000
Other Interest	2,463,721	2,626,086
Interest on Vat Subsidy	-	643,620
Rate Difference	45,681	61,681
Solar park electricity sale income	625,798	-
Solar power income	4,091,460	-
Bank Charges	213,604	
<b>TOTAL</b>	<b>15,693,323</b>	<b>10,908,707</b>

<b>Note 19 Cost Of Material Consumed</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Raw Material</b>		
Opening	6,046,643	9,085,643
Purchase	174,848,816	158,273,538
Closing	14,165,128	6,046,643
<b>Raw Material Consumed</b>	<b>166,730,331</b>	<b>161,312,538</b>
<b>Packing Material</b>		
Opening	62,580	47,935
Purchase	860,869	769,980
Closing	115,236	62,580
<b>Packing Material Consumed</b>	<b>808,213</b>	<b>755,335</b>
<b>Store Spare</b>		
Opening	275,936	115,495
Purchase	9,276,905	11,354,624
Closing	325,665	275,936
<b>Store Material Consumed</b>	<b>9,227,176</b>	<b>11,194,183</b>
<b>Oil &amp; Chemical</b>		
Opening	58,935	35,687
Purchase	1,179,245	738,933
Closing	70,935	58,935
<b>Packing Material Consumed</b>	<b>1,167,245</b>	<b>715,685</b>
<b>Total Consumption</b>	<b>177,932,965</b>	<b>173,977,740</b>

<b>Note 20 Changes In Inventories Of Finish Goods,Work in Progress</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Opening</b>		
Finished Goods	16,636,182	8,930,178
Work in Progress	4,616,664	2,979,516
	<b>21,252,846</b>	<b>11,909,694</b>
<b>Closing</b>		
Finished Goods	43248421	16,636,182
Work in Progress	3670358	4,616,664
	<b>46,918,779</b>	<b>21,252,846</b>
<b>Increase/Decrease</b>		
Finished Goods	(26,612,239)	(7,706,004)
Work in Progress	946,306	(1,637,148)
<b>Changes in Inventory Of Finish Goods , Work in Progress</b>	<b>(25,665,933)</b>	<b>(9,343,152)</b>

<b>Note 21 Employee benefit Expenses</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Salary , Wages &amp; Bonus</b>		
Director Remuneration	6960000	6,318,000
Salary , Wages , Bonus & PF	26422788	19,251,713
<b>TOTAL</b>	<b>33,382,788</b>	<b>25,569,713</b>
<b>Note 22 Finance Costs</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Interest on Term Loan	13,185,197	6,730,824
Interest on Working Capital	1,781,701	2,030,874
Loan Processing Chrgs	0	1,147,850
Bank Charges	54,428	889,819
Other Interest	0	11,254
		-
<b>TOTAL</b>	<b>15,021,326</b>	<b>10,810,621</b>
<b>Note 23 Depreciation and Amortisation Expenses</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Depreciation Tangoble Assets	34,801,459	37,194,398
<b>TOTAL</b>	<b>34,801,459</b>	<b>37,194,398</b>

<b>Note 24 Other Expenses</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
<b>Manufacturing Service Costs Expenses</b>		
Electric Power & Fuel	27,638,802	21,518,860
Dyeing Job Charges	-	-
Electric Expenses	481,173	1,851,753
Factory Expenses	747,189	2,415,470
Repairs To Machinery	872,825	687,256
Drawing Charges	117,520	47,053
Wind Mill Expenses	1,721,321	690,130
Knitted Job Charges	-	93,231
Twisting Job Charges	-	-
GST Credit Lapse	483,038	413,416
Repairs & Maintenance	3,509,311	1,745,941
<b>Administrative &amp; General Expenses</b>		
Postage	63,141	8,647
Printing & Stationery Expenses	76,922	21,762
Travelling Expenses	1,165,178	112,300
Telephone Expenses	66,248	40,950
Office Expenses	716,084	148,263
Vehicle Expenses	1,620,060	1,234,726
Computer Expenses	50,488	52,400
Insurance Premium	865,521	706,185
Fees and Subscription	17,071	34,160
Security Charges	576,000	576,000
Garden Expenses	7,840	-
Rent Expenses	658,253	132,000
Legal & Professional Charges	1,003,023	1,081,238
Loss on Sale of Motor Car	198,967	-
Registration Charges	-	17,680
Listing Fees	-	-
Stamp Duty Chrgs	-	84,476
Annual Maintenance Expenses	264,557	168,750
Clearing & Forwarding	-	77,691
Income Tax (Earlier Year)	-	-
SMC / Gram Tax	124,000	2,400
Software Expense	-	71,000
Solar Expense	999,232	-
TDS Interest	6,582	361
Software Development Expenses	150,000	95,000
Vat Payment (Earlier Year)	-	-
Advocate Fees	-	86,500
Transmission Charges	-	-
Donation	36,000	82,000
Interest on Profesional Tax	-	-
Internal Audit Fees	60,000	60,000
Audit Fees	140,000	121,000
Carbon Credit Expense	-	-
Consulting Charges	46,346	94,500
Custom Duty &	-	120,312
GST Late Fees / Penalty	-	-
Mangrol Taluka Ind. Welfare Association	-	-
<b>Selling Distribution Expenses</b>		
Brokerage	2,254,580	2,560,737
Advertisement Expenses	139,800	131,276
Bad Debts	-	-
Transportation Charges	1,999,192	1,842,548
Comp. Again Defective Goods	188,637	144,187
Sales Promotion	950,487	3,080
Discount & Rebate	178,018	3,590
<b>TOTAL</b>	<b>50,193,407</b>	<b>39,384,128</b>



<b>Note 25 Current Tax</b>		
<b>Particulars</b>	<b>As at 31<sup>th</sup> Mar, 2023 (Amount in "Rs.")</b>	<b>As at 31<sup>th</sup> Mar, 2022 (Amount in "Rs.")</b>
Income Tax Current Year (A..Y. 2019-20)		0
Income Tax Current Year (A..Y. 2021-22)		0
Income Tax Current Year (A..Y. 2022-23)		6,928,736
<b>TOTAL</b>		<b>6,928,736</b>
For Detail Current Tax Refer Note No. 29		

<b>See accompanying notes forming parts of the financial statements</b>		
<b>In terms of our report attached of the even date</b>		
<b>For, Ghael Choksi &amp; Co.</b>	<b>For and on behalf of Board of Directors</b>	
<b>Chartered Accounts</b>	<b>Surbhi Industries Ltd.</b>	
<b>FRN: 0153978W</b>		
<b>Sd/-</b>	<b>Sd/-</b>	<b>Sd/-</b>
<b>Vikrant Bipinchandra Ghael</b>	<b>Ravjibhai P. Patel</b>	<b>Bipinbhai J. Patel</b>
<b>M. No. 112324</b>	<b>Director</b>	<b>Director</b>
	<b>DIN: 00023332</b>	<b>DIN : 00023447</b>
<b>Date: 25th May,2023</b>	<b>Date: 25th May,2023</b>	
<b>Place: Surat</b>	<b>Place: Surat</b>	

