



NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Surbhi Industries Limited will be held on Friday the 30th September 2011 at 11.00 a.m. at Surbhi Estate, Mohanwadi, Katargam, Surat to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2011 and Profit & Loss Accounts for the period ended on 31st March, 2011 together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Bipinbhai J. Patel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Nimeshbhai Jariwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. D. C. Jariwala & Co, the retiring Auditors who are eligible for re-appointment, as Auditors of the Company from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and though fit to pass following resolution with or without modification as ordinary resolution

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and other applicable Sections of the Companies Act, 1956 read with the Conditions specified in Schedule XIII of the Said Act, the Approval of the Company be and is hereby accorded for the payment of remuneration to Shri Ravjibhai Patel as Managing Director of the company for a period of Five years from 1st April, 2011 of following terms of remuneration:

- a) Salary : Rs. 50000/- per month with an increase of not more than Rs. 10000/- every Years as may be decided by the Board of Directors.
- b) Perquisites and allowances as per the terms and condition of the company.

RESOLVED FURTHER THAT in the event of inadequacy of absence of profit in any financial term Shri Ravjibhai Patel managing Director shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to upper limit any prescribed under the companies act, 1956 from time to time.

RESOLVED FURTHER THAT Board of the directors be and is hereby authorized to determine the terms of payment of remuneration, quantum of allowances, expenditures, and remuneration to the extent agreed by the Board and Mr. Ravajibhai Patel.

Registered Office:
Surbhi Estate,
Mohanwadi, Katargam
Surat

By order of the Board

Sd/-
Bipinbhai Patel
Chairman

Date : 30/06/2011
Place : Surat



NOTES:

1. 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 a proxy need not be a member. Proxies in order to be effective, must be duly stamped and received by the company at least 48 hours before the commencement of the meeting.
2. 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 Annual General Meeting.
3. 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.
4. 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 the said accounts into one account.
5. Explanatory statement as required under section 173 of the Companies Act, 1956 which form part of this notice is annexed herewith.
6. Members are requested to quote Folio number in all their correspondences.
7. 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.
8. As per clause 47 (f) of Listing Agreement with BSE, 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
9. The of Members and Share Transfer Books of the Company will remain closed from 29-09-2011 to 30-09-2011 (both days inclusive).
10. Members are requested to bring their copy of Annual report of the meeting as the same shall not be circulated thereat.
11. Members are requested to bring with them the attendance slip and hand it over at entry gate.
12. Members are requested to intimate their email id in order to meet the requirement of green initiatives.

ANNEXURE TO THE NOTICE

Explanatory statement pursuant to section 173 of the Companies Act, 1956

With respect to Resolution No. 5

Remuneration Committee had recommended the payment of remuneration of rupees fifty thousand per month with increase of not more than rupees ten thousand per month to Mr. Ravajibhai Patel, Managing Director. Due to hard work of promoter company managed to get good result. Mr. Ravajibhai Patel is a commerce graduate and having more than two decade experience. His business acumen will help company to reach to higher positions. Till date Mr. Ravajibhai Patel had been paid at Rs. 10000/- per month now company plan to expand the business and it is required to reward him appropriately. Thus remuneration committee had approved the payment of remuneration to Mr. Ravajibhai Patel, Managing Director of the Company. His qualifications , and other details are as under.

M/S. SURBHI INDUSTRIES LIMITED



Name of director	Date of appointment	DOB	Edu.	Expertise in specific functional areas	List of Companies in which directorship is held as on	List of Companies in which directorship is held as on
Ravjibhai Patel	21/05/1992	09/11/1956	B.Com.	Finance, Business development, Negotiation and Admin.	Nil	Nil

None of other directors are concerned or interested in the above resolution except Mr. Ravjibhai Patel being appointee and Mr. Bipinbhai Patel being relative of Mr. Ravjibhai Patel.

The Board of Directors recommend the proposed resolution for acceptance by member.

DETAILS OF APPOINTEES: (Resolution No.2 and 3)

Mr. Bipinbhai J. Patel and Mr. Nimeshbhai Jariwal, were appointed as Director, who are liable to retire by rotation and as per the clause 49 their details are as under:

Name of Director	Shri Bipinbhai Patel	Shri Nimesh N. Jariwala
Date of Birth	14 th March 1970	12 th June 1965
Date of Appointment	21 st May 1992	25 th December 2002
Qualification	Diploma Mechanical Engineer	B.Tech, Finance, Business
Expertise in specific functional areas	Production Market Development, public relation	development, negotiation
List of Companies in which directorship is held as on	n.a.	n.a.
Chairman / Member of the committee of other companies	n.a.	n.a.

None of other directors are concerned or interested in these resolutions except the appointee and Mr. Ravajibhai P. Patel being relative of Mr. Bipinbhai J. Patel.

The Board of Directors recommend the proposed resolution for acceptance by member.

Registered Office:
Surbhi Estate,
Mohanwadi, Katargam
Surat

By order of the Board

Sd/-
Bipinbhai Patel
Chairman

Date : 30/06/2011
Place : Surat



DIRECTOR'S REPORT

Dear Shareholders,

The Directors of your Company have pleasure in submitting their Nineteenth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The financial results during the year under review are very much appreciable company has recorded turnover of Rs. 1842.09 lacs as against the previous years turnover of 1717.98 lacs which show 7.2 % increase in comparison with the previous year. The Company has managed to earned same profit before tax and depreciation of Rs. 96.30 lacs. The net profit after tax of the company increased to Rs.22.05 lacs against the Rs. 18.26 lacs in previous year.

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 31st March 2011

BUSINESS

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

DIRECTORS

At the ensuing Annual General Meeting, Mr. Bipinbhai Patel and Mr. Nimishbhai Jariwal, directors retire by rotation in terms of the Articles of Association of the Company and being eligible, offers themselves for reappointment. A brief profile of these directors are given in the notice of the 19th Annual General Meeting.

A brief resume of director(s) retiring by rotation seeking appointment at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of companies in which they hold directorship and/or membership/ Chairmanship of Committees of Board, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, are given in the section of Annual Report.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rules 1975 during the year.

INSURANCE

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

AUDITORS

M/s. D. C. Jariwala & Co., Chartered Accountants, the auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They being eligible for reappointment as Statutory Auditor of the Company and have expressed their willingness to accept office and have furnished certificate under Section 224(1B) of the Companies Act, 1956 for their eligibility for re-appointment. Your directors recommend for their appointment.

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.



COMPLIANCE CERTIFICATE

A compliance report pursuant to section 383 of the Companies Act, 1956 attached as annexure to this report and forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirms the following:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
2. That the Directors have selected such accounting policies and applied them 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 31.03.2011 and of the Profit & Loss of the Company for that period ;
3. That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors have prepared the annual accounts on a going concern basis.

POLUTION AND ENERGY CONSERVATION AND FOREIGN EXCHANGE.

Company's texturing plants are running with electricity which are supplied by the Daxin Gujarat Vij Company Limited. Moreover, Company has one DG set as a stand by arrangement. 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 installed the Wind Turbine and during the year total 12.59 lacs units were generated. Company has obtained credit of these unites against its electricity consumption at its factory. The particulars regarding technology absorption and Foreign exchange earnings and outgo pursuant to Section 217 (1) (e) of the Companies Act, 1956 are as under :

FORM A [See Rule 2]

Conservation of Energy

A. POWER AND FUEL CONSUMPTION:

Sr.	Particulars	2010-11	2009-10
1	Electricity		
(a.)	Purchased		
	Total Units (in lacs kw)	19.33	34.34
	Total Amount (in lacs Rs.)	106.25	189.63
	Rate / unit (In Rs.)	5.50	5.52
(b)	Own Generation		
	Wind Mill (units in lacs) (Credit was given in Electric Bill of Rs.64.27 lacs)	12.59	13.60
2	Diesel	N.a.	N.a.
3	Furnace Oil	N.a.	N.a.
4	Others	N.a.	N.a.



B. Consumption per unit of production Products	Polyester Crimped/ Texturised yarn		
	Standard (if any)	year 2010-11	year 2009-10
Electricity (Rs./Kg.)	-	n.a.	n.a.

Technology absorption

The Company's plant is running satisfactorily. No other technology is involved in Company's facility other than Windmill Power Generation.

Foreign exchange inflow / out flow

	Year 2010-11	2009-10
Foreign Exchange inflow	112000/-	nil
Foreign Exchange outflow	nil	2695314/-

CORPORATE GOVERNANCE

As per clause 49 of the Listing Agreement with the Stock Exchange, the report of the Corporate Governance and the Certificate of the Auditors of the Company in respect of compliance thereof are appended hereto and forming part of this report.

LISITNG

At present the your Company's securities are listed on the Bombay Stock Exchange Limited., Ahmedabad Stock Exchange Ltd and Vadodara Stock Exchange Limited. As a cost saving measures and to conserve the resources company had applied to voluntarily delist it shares from Ahmedabad Stock Exchange Ltd and Vadodara Stock Exchange and application is pending. Necessary steps are being taken to revoke the suspension at the Bombay Stock Exchange Limited.

PARTICULARS OF EMPLOYEES

There was no employee drawing in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

GENERAL

The notes forming part of Accounts, being self-explanatory are not being dealt with separately.

APPRECIATION:

Your Directors express their sincere gratitude for the assistance and co-operation extended by customers, various Government, Semi-Government and Local Authorities, suppliers, Shareholders, business associates.

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 Estate,
Mohanwadi,
Katargam
Surat

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

Sd/-
Bipinbhai Patel
Chairman

Date : 30/06/2011

Place : Surat



CORPORATE GOVERNANCE

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

COMPANYS' PHILOSOPHY ON CORPORATE GOVERNANCE

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 consist of four directors (one executive and three non executive directors)

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

The Board met on 30.04.2010, 30.07.2010, 28.08.2010, 30.10.2010, 30.01.2011 and 31.03.2011. Notice of the meetings with agenda along with necessary details were 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 31st March 2011 are given below.

Name of the Director	Category	Attendance particular 2010-11				
		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	Non-Executive	6	6	Y	-	-
2. Shri Ravjibhai Patel	Executive	6	6	Y	-	-
3. Shri Pravinbhai Patel	Independent	6	6	Y	-	-
4. Shri Nimesh Jariwala	Independent	6	6	Y	-	-

III. Information on Directors Appointment/Re-appointment

Mr. Bipinbhai J. Patel and Mr. Nimishbhai Jariwala, retire by rotation at the ensuing Annual General Meeting. They being eligible, offer themselves for reappointment.

Name of Director	Shri Bipinbhai Patel	Shri Nimish N. Jariwala
Date of Birth	14 th March 1970	12 th June 1965
Date of Appointment	21 st May 1992	25 th December 2002
Qualification	Diploma Mechanical Engg.	B.Tech. Finance, Business
Expertise in specific functional areas	Production Market, Development, Public Relation	Development, negotiation,
List of Companies in which directorship is held as on	n.a.	n.a.
Chairman / Member of the committee of other companies	n.a.	n.a.

* only public limited companies are considered



IV. Audit Committee

Audit Committee, during the year under review, reconstituted and comprise of three members out of them two are independent directors. Shri Pravinbhai Patel, Independent Director, is a Chairman of the Audit Committee, and Shri Nimesh Jariwala, independent director and Shri Ravjibhai Patel, Managing Director are members to the committee.

Committee met on 23.04.2010, 24.07.2010, 23.10.2010, and 22.01.2011 for perusal of financial position and un-audited quarterly result and also met on 20.08.2010, for the finalization of account for the year ended on 31.03.2011 and on 31.03.2011 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

Sr. No	Name of the Members	Number of attended
1	Shri Pravin Patel	6
2	Shri Nimesh Jariwal	6
3	Shri Ravjibhai Patel	6

V. REMUNERATION COMMITTEE :

As on date remuneration committee comprise of two members who are independent and non executive directors namely Shri Pravinbhai Patel, Chairman and Shri Nimesh Jariwala as per the requirement of Code of Corporate Governance as well as under Schedule XIII and under Clause 49 of the Listing Agreement. 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, remunerations of the executive directors has 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. The Chairman & Managing Director /Whole-time Director are paid remuneration as per the terms and conditions approved by the Board of Directors and shareholders.

During the financial year 2010-11 no meeting of Remuneration Committee was held.

VI. SHARE TRANSFER COMMITTEE /INVESTOR GRIEVANCE COMMITTEE:

The Share Transfer cum Investors'/ Shareholders' Grievance Committee comprise of three members chaired by Shri Bipinbhai Patel being non-executive director. The Committee looks into the redressal of investors complaints such as delay in transfer of equity shares, request for transmission of shares, issue of duplicate share certificates, non receipt of declared dividends/ annual reports etc.

During the financial year 2010-11, the Share Transfer cum Investors' Grievance Committee met on 23.04.2010, 22.05.2010, 19.06.2010, 24.07.2010, 17.08.2010, 15.09.2010, 16.10.2010, 30.10.2010, 20.11.2010, 11.12.2010, 31.12.2010, 22.01.2011, 30.01.2011, 12.02.2011, 28.02.2011 and 19.03.2011.



Investors' Grievance Committee comprised of the following members :

Sr No.	Name	Status	No. of meeting attended
1	Mr. Bipinbhai Patel	Chairman (NE)	16
2	Mr. Pravinbhai Patel	Member (independent)	16
3	Mr. Nimeshbhai Jariwala	Member (Independent)	16

Exclusive email id:

Further as per clause 47 (f) company has designated exclusive email id: 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 Share Transfer Department on above referred email id.

VII. SHARE TRANSFER :

The company has in house Share Transfer division.

IX. MARKET PRICE DATA:

There were no trading in the shares on any of the Stock Exchanges during the year 2010-11 and hence month wise detail of market prices of the shares could not be provided.

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

19th Annual General Meeting of the members of SURBHI INDUSTRIES LIMITED will be held on 30-09-2011, Friday at 11.00 A.M. at the registered office of the Company at Surbhi Estate, Mohanwadi, Katargam, Surat - 395004

Particulars of AGM held during last three year

Year	Date	Time	Place of Meeting	Nos. of Special Resolutions Passed
2009-10	30/09/2010	11.00 A.M.	Registered office	Nil
2008-09	30/09/2009	12.00 P.M(Noon)	Registered office	Nil
2007-08	29/09/2008	12.00 P.M(Noon)	Registered office	1

XII. COMPLIANCE OFFICER:

As on date Mr. Aswin Patel is the Compliance Officer of the company.

XIII. LISTING

At present the your Company's securities are listed on the Bombay Stock Exchange Limited., Ahmedabad Stock Exchange Ltd and Vadodara Stock Exchange. As a cost saving measures and to conserve the resources company had applied to delist it shares from Ahmedabad Stock Exchange Ltd and Vadodara Stock Exchange and application is pending. Necessary steps are being taken to revoke the suspension at the Bombay Stock Exchange Limited.



XIV. STOCK CODE

- (1.) Trading Scrip Code at The Bombay Stock Exchange Ltd. : 514260
- (2.) Trading Scrip Code at Ahmedabad Stock Exchange Ltd. : 58190
- (3.) Trading Scrip Code at Vadodara Stock Exchange Ltd. :

XV. FINANCIAL RESULTS:

The quarterly/half yearly /yearly financial results were informed in time to stock exchanges.

XVI. Book Closure

For updating records and shareholding information of the members of the company, the Share Transfer Books and Register of Members shall remain closed from 29-09-2011 to 30-09-2011 (both days inclusive)

XVII. SHAREHOLDING PATTERN:

Shareholding pattern as on 31.03.2011

Indian

- | | | |
|---------------------------------|---|--------|
| 1. Promoters and Promoter Group | : | 32.24% |
| 2. Public Shareholding | : | 67.76% |

Foreign

- | | | |
|---------------------------------|---|--------|
| 1. Promoters and Promoter Group | : | 0.00 % |
| 2. Public Shareholding | : | 0.00 % |

TOTAL		100.00%
--------------	--	----------------

XVIII. REGISTERED OFFICE:

Theregistered office of the Company situated at Surbhi Estate, Mohanwadi, Katargam, Surat - 395004

Plant Location

Plot No. 249/1, Village : Karanj, Ta. Mandvi, Dist. Surat

XIV. MANAGEMENT DISCUSSION AND ANALYSIS:

1. INDUSTRY OUTLOOK:

During the period under review economy was passing through very hard phase, international financial crisis made things more challengeable However there were tremendous potential growth shown in the markets. Due to changes in government policies with respect to textile industries and increase in cotton prices plus government regulations current scenarios are very impressive there is lot of potential demand for the next years.

2. OPPORTUNITIES AND THREATS:

The company envisaged remarkable growth over previous years. Company's turn over shows increasing trends due to expansion the financial charges and depreciation are higher over the previous year. 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.



3. Initiatives

The initiatives are being taken by the Company for improving the quality standards and reduction of costs at appropriate level. 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.

4. RISKS AND CONCERNS;

Major fluctuations in the raw material price and stringent market conditions can affect the company's performance, change in government policy can play a major role.

5. 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.

6. HUMAN RESOURCES:

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

7. FUTURE PLAN:

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.

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

Registered Office:
Surbhi Estate,
Mohanwadi,
Katargam
Surat
Dist. : Ahmedabad.

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

Sd/-
Bipinbhai Patel
Chairman

Date : 30/06/2011
Place : Surat



AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Members,
M/s. SURBHI INDUSTRIES LIMITED
SURAT.

We have examined the compliance of conditions of Corporate Governance by Surbhi Industries Limited (the Company) for the year ended March 31, 2011 as stipulated in amended Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in amended Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances is pending as on 31st March 2011 no other investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For D. C. Jariwala & Co.
Chartered Accountants
Sd/-

(D. C. JARIWALA)
PROPRIETOR

Membership No. 37990 / FRN 104063W

Place : SURAT
Date : 30th June 2011



AUDITORS REPORT

To,
The Members,
M/s. SURBHI INDUSTRIES LIMITED
SURAT.

We have audited the attached Balance Sheet of **M/S. SURBHI INDUSTRIES LIMITED, SURAT** as at 31st March 2011, and Profit & Loss Account for the year ended on that date, attached thereto. These financial statements are the responsibility of company's management. Our responsibility is to express our opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts & disclosures in the financial statements. An Audit also include assessing the accounting principles used and significant as well as evaluating the overall financial statement presentations. We believe that our audit provide a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above :
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by the law have been kept by the Company so far as appears from our examination of the books :
 - c. The Balance Sheet and Profit & Loss Account referred to in the Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and Profit and Loss Account complies with the requirements of the mandatory accounting standards referred to in Section 211(3C) of the Companies Act. 1956.
 - e. On the basis of written representation received from the directors of the company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director under section 274(1) (g) of the companies Act., 1956.
 - f. In our opinion, and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with the Notes on Accounts attached herewith give the information required by the Companies Act., 1956 in the manner so required and give a true and fair view:-
 - (i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2011;
 - (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on same date and
 - (iii) In case of the cash flow statement, of the cash flow for the year ended on 31st March, 2011.

For **D. C. Jariwala & Co.**

Place : **SURAT**
Date : **30th June 2011**

Sd/-
(DEVENDRA JARIWAL)
PROPRIETOR
Membership No. **37990**



ANNEXURE "A" TO AUDITORS REPORT

(i) Fixed Assets :-

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies with respect to book records were noticed on such verification.
- (c) The company has not disposed of the substantial part of fixed assets during the year which affect the going concern assumption.

(ii) Inventory :-

- (a) As informed to us, the stocks of finished goods, work-in-process stores, spare parts and raw materials have been physically verified by the management during the year at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of stocks followed by the management are adequate and reasonable in relation to the size of the company and nature of its business.
- (c) The company has maintained proper records of inventories. The discrepancies noticed on verification of stocks as compared to book records were not material and these have been properly dealt with in the books of account.

(iii) Loans & Advances :-

- (a) The Company has not taken unsecured loans from companies, firms or other parties listed in register maintained under section 301 of the Companies Act., 1956. The Company has granted unsecured loan to the Company mentioned under the register maintained under section 301 of the companies Act., 1956. There is one such party. Total amount Debited is Rs.60,43,917/-- and total amount credited is Rs.62,22,917/-.
- (b) As per information and explanations given to us, the rate of interest and other terms and conditions, if applicable on loan given are not prima facie prejudicial to the interest of the Company.
- (c) The parties to whom loans has been given are repaying the principal amount as stipulated, where ever applicable.
- (d) There is no overdue amount of loans given by the company.

(iv) Internal control procedure:-

In our opinion and according to the information and explanations given to us, internal control procedures for the purchase of stores, Raw materials including components plant and machinery, equipment and other assets and for the sale of goods commensurate with the size of the company and nature of its business. During the course of our audit no major weaknesses has been noticed in the internal control.

(v) Transaction with parties u/s 301:-

- (a) The transaction made in pursuance of contracts or arrangements that need to be entered in to the register maintained under sanction 301 of the Companies Act., 1956 have been recorded in register.
- (b) There are transactions of purchase & sales of goods, material, lease of building and machinery & services etc. made in pursuance of contracts or arrangement entered in to the register maintained under sanction 301 of the Companies Act., 1956 aggregating during the year to Rs.5,00,000/- or more in respect of each party.

(vi) Public Deposits:-

The Company has not accepted deposits from the public.

(vii) Internal Audit System:-

In our opinion, the Company has an internal audit system which commensurate with its size and nature of its business.

(viii) Cost Records:-

We have broadly reviewed the Books of Account maintained by the Company as prescribed by the Central Government for maintenance cost records under section 209(1)(d) of the Companies Act., 1956, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the accounts and records.

(ix) Statutory Dues:-

- (a) According to the records of the company, the Company is generally regular in depositing undisputed statutory dues including P.F & E.S.I, Income Tax, Sales Tax, Custom Duty, Excise Duty, Cess and any



other statutory dues with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March ,2011 for a period more than six months from the date they became payable.

(b) According to the information & explanations given to us, there is no disputed amounts payable in respect of such statutory dues.

(x) Accumulated / Cash Losses:-

The company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding the financial year.

(xi) Default in Repayment of Dues to Banks / Financial Institution etc.:-

The company has not defaulted in repayment of dues to the financial institution or Bank.

(xii) Granting of Loan & Advances:-

The company has not granted Loan & Advances on the basis of securities by way of pledge of shares, debenture and other securities.

(xiii) Chit Fund / Nidhi / Mutual Fund:-

The provisions of any Special Statute applicable to Chit Fund, Nidhi, Mutual Benefit Fund/ Societies are not applicable to the company.

(xiv) Dealing or Trading in Shares etc. :-

As explained to us by the management, the company has purchased shares/securities of the other companies and Co.Op Banks for the investment purpose only. The company is not trading in shares and securities. The Shares held by the company are in its own name.

(xv) Guarantee Given by Company:-

As explained to us by the management, the company has not given guarantee for loans taken by others from banks or financial institution.

(xvi) Utilisation of Term Loans:-

The Term Loans taken by the company were applied for the purpose for which it had been obtained.

(xvii) Application of Short Term Fund for Long Term Investment and vice versa:-

On the basis of our examination of the cash flow statement, the funds raised on short term basis have not been used for long term investment, as they have been financed out of internal accruals. The Co. has not raised long term funds. Hence, the used of such funds for short term investment doesn't arise.

(xviii) Preferential Allotment of Shares:-

The Company has not issued any shares during the year.

(xix) Creation of Securities for Debenture Issued:-

The Company has not issued any Debenture during the year.

(xx) End Use of Money:-

The company has not raised any money by way of public issues during the year.

(xxi) Fraud noticed or Reported:-

As per information & explanation given to us no fraud on or by the company has been notice or reported during the year.

For D. C. Jariwala & Co.
Chartered Accountants

Sd/-

(D. C. JARIWALA)

PROPRIETOR

Place : SURAT

Date : 30th June 2011

Membership No. 37990 / FRN 104063W



BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31,	
		2011	2010
SOURCE OF FUNDS			
Shareholders Funds :			
Share capital	1	34,348,000	34,348,000
Reserves and surplus	2	20,646,318	17,831,207
Loan Funds :			
Secured loans	3	29,235,105	38,124,924
Deferred Tax Liability		5,838,644	6,845,744
Total		90,068,067	97,149,875
APPLICATION OF FUNDS			
Fixed Assets :			
	4		
Gross Block		117,318,047	116,378,874
Less : Depreciation		69,208,412	63,446,461
Net Block		48,109,635	52,932,413
Investments:	5	2,173,700	2,173,700
Current Assets, Loans and Advances :			
	6		
Inventories		27,012,509	19,816,443
Sundry Debtors		19,005,263	22,231,619
Cash and Bank balances		1,767,284	1,576,417
Loans and Advances		8,330,792	7,705,878
Total Current Asstes		56,115,848	51,330,357
Less : Current liabilities and provisions	7	16,331,116	9,286,595
Net Current Assets :		39,784,732	42,043,762
Total		90,068,067	97,149,875

Significant accounting policies and notes to A/c's 18

The schedules referred to above and the notes therein form an intergal part of the accounts

As per our report of evev date,

For and on behalf of the Board

For **D.C JARIWALA & CO.**
Chartered Accountants

Sd/-
R.P.Patel
Director

Sd/-
B.J.Patel
Director

Sd/-
D.C JARIWALA
Proprietor
M.No.37990 / FRN 104063W

Surat, 30th June, 2011

Surat, 30th June, 2011



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	As at March 31,	
		2011	2010
INCOME :			
Sales	8	184,209,974	171,798,385
Other Income	9	7,319,643	8366664
Increase /(decrease) in stock of finished goods	10	5,267,321	(2,474,242)
Total Income		196,796,938	177690807
EXPENDITURE :			
Consumption of Raw Materials	11	139,563,676	126,993,697
Purchases	12	600,880	0
Manufacturing expenses	13	27,374,879	24674286
Payment to Employees	14	7,453,899	6,753,021
Administrative Expenses	15	2,330,134	2,285,857
Selling & Distribution Expenses	16	5,026,663	4,094,581
Financial Charges	17	4,816,432	3,255,997
Depreciation		7,424,811	7,806,693
Total Expenses		194,591,374	175864132
Profit/ (loss) before tax for the year		2,205,564	1,826,675
Less : Provision for Tax.-Current MAT		397,553	282,221
Less/(Add) : Deferred Tax		-1,007,100	351,200
Less : FBT of Earlier Year		0	422
Net Profit After Taxation		2,815,111	1,192,832
Balance brought forward from previous year		15,331,207	14,138,375
Balance carried to the Balance Sheet		18,146,318	15,331,207

Earning per Share	0.82	0.35
Significant accounting policies and notes to A/c's	18	

As per our report of even date,

For and on behalf of the Board

For **D.C JARIWALA & CO.**

Chartered Accountants

Sd/-
R.P.Patel
Director

Sd/-
B.J.Patel
Director

Sd/-
D.C JARIWALA
Proprietor
M.No.37990 / FRN 104063W

Surat, 30th June, 2011

Surat, 30th June, 2011



SCHEDULES

SCEDULES ANNEXUED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2011

		As at March 31,	
		2011	2010
1	SHARE CAPITAL :		
	Authorised Capital		
	5000000 Equity shares of Rs. 10/-	50,000,000	50,000,000
	Issued, Subscribed & Paid up		
	3437400 Equity shares of Rs.10/- each.	34,374,000	34,374,000
	Less : Amount in Arrears	26,000	26,000
	Total	34,348,000	34,348,000
2	RESERVES & SURPLUS :		
	Capital Revenue	2,500,000	2,500,000
	Profit & Loss Account	18,146,318	15,331,207
	Total	20,646,318	17,831,207
3	SECURED LOANS :		
	1 From Dena Bank		
	a. Cash Credit Working Capital	17,557,995	19,370,642
	(Secured by hypothecation of raw materials, stock in process, finished goods, consumebale stores & spares & account reciveables)		
	b Term Loan	11,677,110	18,754,282
	(Secured by equitable mortgage of factory land & Building. Further secured by hypothecation of plant & machinery and all other movable fixed assets, both existing as well as future.)		
	Total	29,235,105	38,124,924



SCHEDULES (cont..)

**SCHEDULES ANNEXED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2011**

4 FIXED ASSETS :

Description	Gross Block			Gross Block			Gross Block			Net Block	
	As at 31.03.10	Addition	Sale / Transfer	As at 31.03.11	Up to 31.03.10	For the Year	Sale / Transfer	Up to 31.03.11	As at 31.03.11	As at 31.03.10	
Land	2400760	0	0	2400760	0	0	0	0	2400760	2400760	
Factory Building	14479476	1920537		16400013	3870528	494305		4364833	12035180	10608948	
Tube Well	57612	0		57612	27155	1924		29079	28533	30457	
Plant & Machinery	92987367	1402866		94390233	56005977	6417894		62423871	31966362	36981390	
Electrification	2392285	0		2392285	1051857	113633		1165490	1226795	1340428	
Motor Car	2306865	0	2275365	31500	1288159	273214	1558381	2992	28508	1018706	
Office Equipments	442110	16800	0	458910	240492	21399	0	261891	197019	201618	
Computer	223383	17955		241338	107366	37665		145031	96307	116017	
Wireless Sets	143620	0	143620	0	104479	0	104479	0	0	39141	
Testing & Lab.Equ.	196647	0		196647	121428	9341		130769	65878	75219	
Furniture & Fixtures	490608	0	0	490608	467725	31055	0	498780	-8172	22883	
Vehicles	255150	0		255150	161082	24239		185321	69829	94068	
Water Tank	2990	0		2990	213	142		355	2635	2777	
Total	116378874	3358158	2418985	117318047	63446461	7424811	1662860	69208412	48109634	52932412	
Previous Years	116239243	151751	12120	116378874	55639768	7806693	0	63446461	52932412	60599474	

Note : P & M of the value of Rs.3,16,20,188/- has been fully depreciated. Hence no depreciation is claimed on the same machinery during the year.



SCHEDULES (contd...)

SCEDULES ANNEXUED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31,	
	2011	2010
5 INVESTMENTS :		
1727 Equity Shares of Surat Peoples Co.Op. Bank Ltd. Of Rs.100/- each	172,700	172,700
8150 Equity Share of Surbhi Textile Mills Pvt. Ltd. Of Rs.100/- each (unquoted)	2,001,000	2,001,000
Total	2,173,700	2,173,700
6 CURRENT ASSETS, LOANS & ADVANCES :		
CURRENT ASSETS :		
a. INVENTORIES :		
(As taken, valued & certified by the management)		
Finished Goods Yarn	8,648,527	3,552,263
Raw Material (Yarn)	9,318,610	8,356,617
Yarn W.I.P	1,079,675	908,618
Oil & Chemicals	2,304,476	2,143,445
Stores, Spares & Accessories	2,522,868	2,103,346
Packing Materials	3,138,353	2,752,154
Sub Total	27,012,509	19,816,443
b. SUNDRY DEBTORS :		
(Unsecured considered goods)		
1. Debts exceeding more than Six Month	2,159,277	5,214,670
2. Others	16,845,986	17,016,949
Sub Total	19,005,263	22,231,619
c. CASH & BANK BALANCES :		
Cash on Hand	40,081	35,947
Balances with Schedule Banks :		
in Current Account/Book Debts	144,390	80,252
in Fixed Deposits	1,582,813	1,460,218
Sub Total	1,767,284	1,576,417



SCHEDULES (contd...)

SCHEDULES ANNEXUED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31,	
	2011	2010
d. LOANS & ADVANCES :		
(Unsecured, considered good recoverables in cash in kind or for value to be received)		
Sundry Deposits	2,364,875	2,330,862
Advances to Staff	118,000	93,500
Other Advance	2,799,627	2,919,996
P.F Receivables	8,816	8,052
DGVCL Receivable	420,710	475,778
Prepaid Expenses	29,223	29,083
T.D.S & Advance Tax	1,643,111	1,460,939
Interest Subsidy Receivable on TUFs	496,430	387,668
Advances for Capital Work in Progress	450,000	-
Sub Total	8,330,792	7,705,878
GRAND TOTAL	56,115,848	51,330,357
7 CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES :		
Sundry Creditors for Goods	12,120,303	6,565,970
Sundry Creditors for Expenses	2,423,451	1,430,559
Creditors for others	608,378	45,905
Sub total	15,152,132	8,042,434
B. PROVISIONS :		
Provision for Taxation	679,774	760,484
Provision for Expenses	344,695	409,785
Provision for Sales Tax / VAT	85,080	50,782
Provision for TDS Payable	69,435	23,110
Sub total	1,178,984	1,244,161
Total	16,331,116	9,286,595



SCHEDULES (contd...)

SCEDULES ANNEXUED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2011

		As at March 31,	
		2011	2010
8	SALES :		
	Yarn (Net)	180,735,382	169,942,802
	Grey Cloth (Net)	647,670	-
	Job Work Income	2,826,922	1,855,583
	Total	184,209,974	171,798,385
9	OTHER INCOME :		
	Interest on F.D.R	133,244	98036
	Interest on I.T.Refunds	1,972	131,540
	Other Interest	463,905	708,125
	Discount Received	67,587	-
	Dividend Income	25,905	25,905
	Interest on G.E.B Deposit	111,991	111,991
	Commission Income	87,403	--
	Wind Mills Income	6,427,636	7,291,067
	Total	7,319,643	8,366,664
10	INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS AND W.I.P. :		
	a) Closing stock		
	Yarn	9,728,202	4,460,881
	Less : Opening stock		
	Yarn	4,460,881	6,935,123
	Total	5,267,321	2,474,242
11	CONSUMPTION OF RAW MATERIALS		
	P.O.Y / P.F.Y		
	Opening Stock	8,356,617	5,138,650
	Add : Purchase	140,525,669	130,211,664
		148,882,286	135,350,314
	Less : Closing Stock	9,318,610	8,356,617
	Total	139,563,676	126,993,697
12	PURCHASE OF GREY		
	Grey Cloth Purchase	600,880	-
	Total	600,880	-



SCHEDULES (contd...)

SCHEDULES ANNEXUED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2011

		As at March 31,	
		2011	2010
13	MANUFACTURING EXPENSES :		
	Power & Fuel Expenses	17,053,005	18,963,092
	Oil & Chemicals	2,586,072	2,037,389
	Consumable Stores	2,423,625	2,041,775
	Factory Expenses	190,429	138,163
	Electrical Expenses	335,596	164,645
	Repairs & Maintenance	1,092,322	1,040,104
	Twisting Charges	3,624,230	73,202
	Lease Rent	61,600	61,600
	Wind Mill Expenses	8,000	35,322
	Custom	-	118,994
	Total	27,374,879	24674286
14	PAYMENT TO EMPOLYEEES :		
	Wages, Salary, Bonus & Leave Salary	7,259,535	6,605,770
	Staff Welfare Expenses	68,380	53,378
	Provident Fund Contribution	125,984	93,873
	Total	7,453,899	6,753,021
15	ADMINISTRATION EXPENSES :		
	Postage & Courier	4,598	59,096
	Printing & Stationary	25,219	164,040
	Telephone Expenses	82,360	81,469
	Vehicle Expenses	279,355	290,195
	Office & General Expenses	45,040	24,826
	Travelling & Conveyance	940	8,400
	Legal & Professional Charges	90,009	143,898
	Directors Remuneration	120,000	120,000
	Auditors Remuneration	50,000	25,000
	Insurance Premium	65,091	88,310
	Panchyat / Muncipal Tax	17,600	15,200
	Office Staff Salary	687,710	717,600
	Internal Audit Fees	10,000	5,250
	Foreign Travelling	112,000	-
	Computer Expenses	17,387	22,138
	Clearing & Forwarding Charges	-	96,683
	Loss on Sales of Motor Car	265,984	-
	Office Building Rent	192,000	192,000
	Wireless Written Off	39,141	-
	Fees and subscriptions	5,700	25752
	Security Charges	220,000	204,000
	Total	2,330,134	2,285,857



SCHEDULES (contd...)

SCEDULES ANNEXUED TO AND FORMING PART OF
THE BALANCE SHEET AS AT MARCH 31, 2011

	As at March 31,	
	2011	2010
16 SELLING & DISTRIBUTION EXPENSES		
VAT Tax	54,837	17,600
Packing Material Consumed	2,220,834	1,641,474
Bad Debts W/o	166,796	-
Transportation Expenses	1,409,900	1,441,364
Brokerage & Commission	998,041	615,439
Comp.Againts Deff. Goods	79,079	216,717
Rate Difference	95,176	47,922
Advertisement Expenses	2,000	-
Discount & Rebate	-	114,065
Total	5,026,663	4,094,581
17 FINANCIAL CHARGES :		
Bank Interest	3,788,054	1,563,966
Bank Charges	76,508	163,602
Other Interest	951,870	1,100,330
Premium on forward booking FCDL	-	428,099
Total	4,816,432	3,255,997

SCHEDULE : "18"

SIGNIFICANT ACCOUNTING POLICES & NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES :

1. GENERAL :

- i. These accounts are prepared under historical cost convention on accrual basis.
- ii. Accounting Polices not specifically referred to otherwise are consistent and in consonance with the generally accepted accounting principles.

2. VALUATION OF INVENTORIES :

- i. All the Materials including Raw Materials, Finished Goods, Stores & Spares and Packing Materials valued at the lower of the Cost or Net Realizable value as certified by the management.
- ii. Cost is inclusive of taxes or duties incurred to bring goods at present location and condition as per AS-2.



3. SALES:

Sales includes forwarding Expenses but excludes Excise Duty & Sales Tax and other indirect taxes, wherever applicable and sales of goods is recognized on transfer of property of good as per agreed terms. Quantity Discount, Rate Difference, Rebate are accounted as and when settled.

4. FIXED ASSETS :

Fixed assets are stated at cost of acquisition or construction, including expenses attributable of bringing the assets to its present working condition and capitalised preoperative expenses less accumulated depreciation thereon.

5. DEPRECIATION :

Depreciation on fixed assets except land is provided on the SLM on prorata basis at the rates and in the manner specified in schedule XIV of the companies ACT., 1956.

6. INVESTMENTS :

Investments are stated at cost.

7. INCOME TAX:

Income tax comprises the Current tax provision and the net change in the deferred tax asset or liability in the year. Deferred tax assets and liability are recognised for the future tax consequences of temporary differences, between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognised subject to management's judgement that realisation is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the income statement in the period of enactment of the change.

8. CONTINGENT LIABILITIES :

Contingent liabilities have been shown in the Notes on accounts (if any) and no provisions for the same have been made in the books of accounts.

9. NOTES ON ACCOUNT :

1. Contingent Liability Nil (Previous year Rs.Nil.)
2. Remuneration paid to Directors Rs.120000/- (Previous year Rs.120000/-)
3. Estimated amount of capital contract remaining to be executed and not yet provided for Rs.30,00,000/- (Advance given Rs.4,50,000/-).
4. Related Party Transactions.

As Per AS-18 issued by the institute of Chartered Accountants of India, the Company's related parties in terms of AS-18 are disclosed below:

List of related Parties:

(a) Key Management Personnel:

Ravjibhai P. Patel	Managing Director
Bipinbhai J. Patel	Director
Pravinbhai G. Patel	Director
Nimesh Jariwala	Director



The Company related parties' balance and transaction are summarised as follows:

Sr. No	Name of the related party	Nature of transaction	Amount	Closing Balance
1	Ravjibhai P. Patel	Director Remuneration	1,20,000/-	NA
2.	Surbhi Textile Mills Pvt. Ltd.	Grey Sales	534622	9028 Dr.
		Yarn Sales	22539117	
		Yarn Purchase	37740400	
		Twisting Charges	552159	
		Interest Expenses	463905	2868000 Dr.

5. Segment Reporting:

The Company operates in a single segment viz. Textile only. There is no other distinguishable components of company which can be identified as segment.

6. Auditors Remuneration :	Current Year	Previous Year
(a) As Auditors	15,000	15,000
(b) In any other Capacity		
(i) Company Law Matters	10,000	10,000
(ii) Taxation Matters	25,000	20,000
	<hr/>	<hr/>
	35,000	30,000
	<hr/>	<hr/>
Total.....	50,000	45,000
	=====	=====

8. No employee was in receipt of Remuneration aggregating to Rs.24,00,000/- or more per year or Rs.2,00,000/- or more per month for the part of the year. Previous year also there was no such employee.

9. Small Scale Industries :-

The Company does not possess information as to which of its suppliers are ancillary Industrial undertaking / Small-Scale industrial undertaking. Consequently, the liability, if any of interest which could be payable under the interest of delayed payment to small-scale and ancillary industrial Act., 1993 can not be ascertained. However, the company has not received any claim in respect of interest.

10. Additional information pursuant to the provisions of paragraph 3, 4C & 4D of Part II of Schedule VI to the Companies Act., 1956:
(Taken, Valued as certified by the management).



	Current Year			Previous Year		
	Unit	Qty.	Amount Rs.	Unit	Qty.	Amount Rs.
I Licenced Capacity: Not Laid Down						
II Raw Material & Consumed						
P.O.Y	Kgs.	762097.295			1011958.210	
Text./PFY Yarn	Kgs.	825877.258			748307.641	
III Production						
Text. Yarn	Kgs.	787094.085			1031961.625	
Twisted Yarn & Crepe Yarn	Kgs.	848681.108			781889.033	
IV Closing Stock						
Raw Material Work in Prog.	Kgs.	7178.167	1079675	7794.89		908618
POY & Twis. Yarn	Kgs.	61173.845	9318610	72784.865		8356617
Finished Good (Text/Twis/Crepe)	Kgs.	50028.737	8648527	34106.462		3552263
Packing Materials			3138353			2552154
Oil & Chemicals			2304476			2143445
Stores & Spares &			2522868			2103346
V Opening Stock						
Raw Material work in progress	Kgs.	7794.89	908618	14743.510		1604824
Poy & Twis. Yarn	Kgs.	72784.865	8356617	49429.370		5138650
Finished Good (Text / Twis / Crepe)	Kgs.	34106.462	3552263	55788.883		5330299
Packing Materials			2552154			2097430
Oil & Chemicals			2143445			1812880
Stores & Spares &			2103346			1516135
VI Purchase (Net)						
P.O.Y	Kgs.	782868.130	77841841	1054951.610		83234485
PFY/Text. Yarn	Kgs.	620518.340	62683828	490125.020		46977179
Grey Cloth	Mts.	40851.750	600880	--		--
VII Sales						
P.O.Y	Kgs.	23722.650	1304072	23165.476		820887
PFY/Text. Yarn	Kgs.	1406890.270	182905902	1549341.904		169121915
Grey cloth	Mts.	40851.750	647670	--		--



11. Imported raw materials, Spare Parts and components purchased during the year value Rs.Nil/- (Previous year Rs. Nil)
12. Imported Raw Materials, Spare Parts consumed during the year Rs.Nil (Previous year Rs.2695314/-).
13. Expenses in Foreign Currency:

Raw Materials	Rs.	Nil	Previous Year Rs. 2695314/-
Foreign Travelling	Rs.	112000/-	Previous Year Rs. Nil
Capital Goods	Rs.	Nil	Previous Year Rs. Nil
14. Earning in Foreign Currency is Rs.Nil (Previous year Rs.Nil)
15. The balance of sundry debtors, sundry creditor and Loans & Advances account are subject to confirmation.
16. The figures for the previous year have been regrouped and rearranged wherever considered necessary.

SIGNATURE TO SCHEDULE "1" TO "18"

**FOR D.C JARIWALA & CO.
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF THE BOARD

**Sd/-
D.C JARIWALA
PROPRIETOR
M.No.37990 / FRN 104063W**

**Sd/-
R. P. Patel
DIRECTOR**

**Sd/-
B. J. Patel
DIRECTOR**

**PLACE : SURAT.
DATED : 30th June, 2011**

DATED : 30th June, 2011



Additional information Pursuant to the Provisions in Part IV of Schedule-VI of the Compines Act, 1956:-

Balance Sheet Abstract and Company's General Business Profile :-

1	Company's Regitration Detials :-	
	a. Registration No.	17672 of 1992-93
	b. State Code	04
	c. Balance Sheet Date	31/03/2011
2	Capital Raised During the year :-	
	a. Public Issue	NIL
	b. Right Issue	NIL
	c. Bonus Issue	NIL
	d. Private Placement	NIL
3	Details of Mobilisation and Deployment of Fund :-	
	a. Total Liabilities	90,068,067
	b. Total Assets	90,068,067
	Sourecs Of Fund	
	a. Paid up Capital	34,348,000
	b. Reserves & Surplus	26,484,962
	c. Secured Loans	29,235,105
	d. Unsecured Loans	Nil
	Application of Funds	
	a. Net Fixed Assets	48,109,635
	b. Investments	2,173,700
	c. Net Current Assets	39,784,732
	d. Accumulated Losses	-
4	Performance Of Company	
	a. Turnover	184,209,974
	b. Total Expenditure	194,591,374
	c. Profit Before Tax	2,205,564
	d. Profit After Tax	2,815,111
	e. Earningh per Share in Rs.	0.82
	f. Dividand Rate%	—
5	Generic Names of three Principal Products/Services of Company (As per Monetary Terms)	
	a. Item Code No.	
	b. Product Description	Text. Yarn , Twisted Yarn Grey Cloth Trading.



AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of **M/s.Surbhi Industries Limited** for the period ended 31st March, 2011. The statement has been prepared by the company in accordance with the requirement of listing agreement clause 32 with Bombay Stock Exchange and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the company covered by our report of even date to the members of the company.

For D. C. Jariwala & Co.
Chartered Accountants

Place : SURAT
Date : 30th June, 2011

(DEVENDRA JARIWAL)
PROPRIETOR

Membership No. 37990/FRN 104063 W

CASH FLOW FOR THE YEAR ENDED ON 31/03/2011

Rs in '000

	2010-11	2009-10
A. Cash Flow from Operating Activities:		
Net Profit Before Tax	2206	1826
Add: Depreciation	7425	7807
Interest / Dividend	4816	3256
Preliminary / Share Issue Exp.		
Loss on sale of shares		
Less: Investment Income	-573	-912
Profit on sale of Fixed Assets	0	0
Operating Profit before Working Capital Change	13874	11977
Adjustment for Working Capital Changes		
Cash Inflow		
Decrease in Loans & Advances	-625	6149
Increase in Trade & Other Receivable	3226	4169
Increase in Trade Payables and Provisions	7045	-12311
	9646	-1994
Cash Outflow		
Decrease in Trade Payables		
Increase in Inventories	7196	2316
Increase in Trade & Other Receivable		
	7196	2316
Net Cash Inflow (outflow) for working Capital	2450	-4310



Cash from Operations	16323	7667
Less : Direct Taxes Paid	-398	-282
Net Cash Flow from Operating Activities	15925.9	7385
B. Cash Flow from Investing Activities		
Cash Inflow		
Decrease in FD	-123	-88
Interest Income	573	912
	451	824
Cash Outflow		
Net Purchases of FA	2602	140
Increase Investments		
Increase FD		
	2602	140
Net Cash Inflow (Outflow) in Investing Activities	-2151	684
C. Cash Flow from financing Activities		
Cash Inflow		
Increase in working Capital Loans	-1813	2855
Increase in Term Loan (Net)	-7077	-7553
Cash Outflow	-8890	-4698
Decrease in working Capital Loans		
Financial Charges	4816	3256
	4816	3256
Net Cash Inflow (Outflow) in Financial Activities	-13706	-7954
Net Cash Changes	68	115
Cash and Bank as on 1st April	116	2
Cash and Bank as on 31st March	184	116



ANNEXURE

PART A

1	Name fo the Assessee	M/s. Surbhi Industries Ltd.
2	Address	"Surbhi Estate", Mohanwadi, Katargam, Surat.
3	Permanent Account No.	AADCS 4385 E
4	Status :	Public Limited Company
5	Assessment Year	2011-12

PART B

Nature of Business	Code	1	2	0
---------------------------	-------------	----------	----------	----------

Sr. No.	Parameters	Current year	Preceding year
1	Paid up Share Capital	34,348,000	34,348,000
2	Shre Application Money	--	-
3	Reserves & Surplus	26,484,962	24,676,951
4	Secured Loans	29,235,105	38,124,924
5	Unsecured Loans	-	-
6	Current liabilities and Provision	16,331,116	92,86,595
7	Total of Balance Sheet	106,399,183	106,436,470
8	Gross Trun Over	184,209,974	171,798,385
9	Gross Profit	14,483,961	10,903,139
10	Commission Received		--
11	Commission Paid	998,041	6,15,439
12	Interest Received	599,121	9,37,701
13	Interest Paid	--	--
14	Depreciation as per Books of account	7,424,811	78,06,693
15	Net Profit (or loss) before Tax	2,205,564	18,26,675
16	Taxes on income paid / Provided for in the Books	397,553	2,82,221



(Regd. Office: Surbhi Estate, Mohanwadi, Katargam, Surat-395004)

ATTENDANCE SLIP

(To be handed over, duly filled in, at the Entrance of the meeting Place)

Name of the attending Member/Proxy :
 (in block letters)
 Member's Folio No. / :
 DP id No. :
 No. of Shares held :
 Date of A.G.M. : 30TH September , 2011
 Place : Surbhi Estate,
 Mohanwadi, Katargam
 Surat - 395004
 Time : 11:00 A.M.

I hereby record my presence at the Annual General Meeting on 30TH September, 2011

Signature of the Shareholder / Proxy holder : _____

FORM OF PROXY

(Regd. Office: Surbhi Estate, Mohanwadi, Katargam, Surat-395004)

I/We _____
of _____ being a member(s) of the above named
Company hereby appoint Shri/ Smt. _____

of _____ or failing him,
Shri _____

of _____ as my/our
proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the
Company to be held on 30th September, 2011 at 11:00 A.M. at Registered Office of the
Company and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix Revenue
Stamp

Signature

Note : The proxy and the Power of Attorney (if any) under which it is signed or a
notarially certified copy of that Power of Attorney must be deposited at the
Registered Office of the Company not less than 48 hours before the date and time
for holding the Annual General Meeting.

(if underlivered return to sender)

B
st
M/S. SURBHI INDUSTRIES LIMITED



Regd. Office : Surbhi Estate
Mohanwadi, Katargam,
SURAT - 395 004.

NINETEETH
ANNUAL REPORT
2010-2011



SURBHI

M/S. SURBHI INDUSTRIES LIMITED

Regd. Office : Surbhi Estate, Mohanwadi, Katargam, SURAT - 395 004.



BOARD OF DIRECTORS

- 1. Shri Bipinbhai J. Patel**
Chairman
- 2. Shri Ravjibhai P. Patel**
Managing Director
- 3. Shri Pravinbhai Patel**
- 4. Shri Nimeshbhai Jariwal**

AUDITORS:

M/s. D. C. Jariwala & Co.
Chartered Accountant
330, Royal Trading,
Opp. Ratan Cinema, Salabatpura,
Surat - 395003

BANKERS:

Dena Bank
Sahar Gate Branch
Surat - 395004

REGD. OFFICE

Surbhi Estate,
Mohanwadi,
Katargam,
Surat – 395004

Website :

PLANT:

Plot No. 249/1,
Village : Karanj, Ta. Mandvi,
Dist. Surat

COMPANY LAW

Pragnesh Joshi

CONSULTANT :

Practising Company Secretary