

Date: 04.09.2020

To
The Manager
Department of Corporate Services
BSE Ltd.
Dalal Street, Fort
Mumbai - 400 001

Sub.: - Submission of Annual Report for FY 2019-20 and Notice of Annual General Meeting through VC/OAVM

Ref.: - Scrip Code - 514260

Dear Sir / Madam,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of Surbhi Industries Ltd. for the financial year ended March 31, 2020 to be approved and adopted at the 28th Annual General Meeting of the Company to be held on Wednesday, September 30th, 2020 at 12.30 P.M. IST through VC/OAVM.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

FOR, SURBHI INDUSTRIES LIMITED


RAVJIBHAI P. PATEL
MANAGING DIRECTOR
DIN: 00023332



Encl: as above

SURBHI



**28th
Annual Report
2019-20**

SURBHI INDUSTRIES LIMITED

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

IMPORTANT COMMUNICATION TO MEMBERS

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

SURBHI INDUSTRIES LIMITED

Board of Directors	1. Shri Bipinbhai J. Patel – Chairman (WTD) & CFO 2. Shri Ravjibhai P. Patel – Managing Director/CEO 3. Shri Satish Narandas Patel – Independent Director 4. Smt Sheetal Harsh Patel – Independent Woman Director
Company Secretary	Hetalben Arvindbhai Joshi
Auditors:	M/s. VIKRANT B. GHAEI & CO. Chartered Accountant 103-104, Jash Infinity, Consilium Tax Management Services Pvt. Ltd. Bh. Old Sub Jail, Khatodara, Surat - 395002
Bankers:	Dena Bank (Now Bank of Baroda) Sahara Gate Branch Surat - 395004
Regd. Office	“Surbhi House”, 2nd Floor, FP NO 206, B/h Old Sub Jail, Ring Road, Khatodara Surat – 395002
Plant:	Plot No. 249/1-3, 248/8-9-10, Village: Karanj, Ta. Mandvi, Dist. Surat

SURBHI INDUSTRIES LIMITED

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 28th Twenty Eighth Annual General Meeting of the Members of Surbhi Industries Limited will be held on Wednesday the 30th day of September 2020 at 12.30 P.M. IST through video conferencing ("VC") other audio visual means ("OAVM") (hereinafter referred to as "electronic AGM"/ "e-AGM") to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Bipinbhai Jasmatbhai Patel (DIN 00023447), who retires by rotation and being eligible, he offers himself for re-appointment.

Registered Office:

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

By order of the Board

Sd/-

Bipinbhai Patel
(DIN: 00023447)
Chairman

Date: 01/09/2020

Place: Surat

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 (collectively "MCA Circulars"), permitted companies to conduct Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 28th AGM of the Company is being convened and conducted through VC.
2. 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.
3. 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.
4. 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").
5. The Register of Members and Share Transfer Books of the Company will remain close from Wednesday, September 23, 2020 to Wednesday, September 30, 2020 (both days inclusive)
6. 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.
7. 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.

8. In compliance with the regulatory provisions, the Annual Report of the Company for FY 2020 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 and also on the website of the www.bseindia.com. The relevant details are also hosted on the website of the remote e-voting service provider viz. www.evotingindia.com
9. 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.
10. 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.
11. 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.
12. 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 on all the resolutions set forth in this Notice. The e-voting period commences on Sunday, 27th September, 2020 at 10:00 AM IST) and ends on Tuesday, 29th September, 2020 at 05:00 PM IST. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 23, 2020 (cutoff date), may cast their vote electronically. Thereafter the e-voting module shall be disabled. Once the vote on a resolution is cast by a Member, he/she shall not be allowed to change it subsequently.
13. Voting through Electronics Means- A detailed instructions and related write ups, on Electronic Voting Process, which forms part of this notice, is given at the end of this Annual Report. Shareholders are requested to kindly follow the said process for casting their vote electronically.
14. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.surbhi.com and on the website of www.evotingindia.com within two days of passing of the resolutions at the 28th Annual General Meeting of the Company and communicated to the BSE Limited and, where the shares of the Company are listed.
15. Members are requested to quote Folio number in all their correspondences.
16. 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.
17. 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
18. Members are requested to bring their copy of Annual report of the meeting as the same shall not be circulated thereat.
19. Members are requested to updated their PAN no and bank details with RTA.
20. 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
21. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. In case of members holding shares in physical mode are requested to register / update their email id by writing to the Company at grdsurbhi@gmail.com providing their

folio no. and scanned self attested copy of PAN card and self attested copy of any document such as Aadhaar Card, Passport, Driving Licence, Election identity Card, etc. in support of the registered address of the member. In case of members holding shares in demat mode, members are requested to register / update their email id with the relevant depository participant.

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

1. 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 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. 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 AGM will be provided by CDSL.
3. The Members can join the 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 AGM through VC/OAVM will be made available to at least 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 AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM 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. 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 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 has been uploaded on the website of the Company at www.surbhi.com The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM 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.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on Sunday, 27th September, 2020 at 10:00 AM IST) and ends on Tuesday, 29th September, 2020 at 05:00 PM IST. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2020 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) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
- (vi)

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
(a) For Members who hold shares in demat account with NSDL:	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

(b)	For Members who hold shares in demat account with CDSL:	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
(c)	For Members holding shares in Physical Form:	EVSN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVSN is 101456 then user ID is 101456001***

- 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.
- OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form 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"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which will be as under: <p style="margin-left: 40px;">EVSN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • 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).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) 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.
- (xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) 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.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xix) 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.
- (xx) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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 provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. 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 **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xxi) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to 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.

- 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 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, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 or call on 022-23058542/43.

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

Item No. 2

Brief resume of director to be reappointed

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

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

Name of Director	Mr. Bipinbhai Jasmatbhai Patel
Date of Birth	14 th March 1970
Date of Appointment	21 st May 1992
Qualification	Diploma Mechanical Engineer
Expertise in specific functional areas	Production Market development, Public Relation
List of Companies in which directorship is held as on	N. A.
Chairman / Member of the committee	2
Terms and Conditions of Re-appointment	As per the resolution at Item No. 2 of the Notice convening this Meeting read with explanatory statement thereto
Remuneration last drawn (including sitting fees, if any)	Rs. 20.76 Lakh for FY. 2019-20 drawn as WTD of the company.
Remuneration proposed to be paid	As per his original terms of appointment
No. of Board Meetings attended during the year (out of * held)	7
Shareholding of the Director in the Company	97000 Equity shares of Face Value of Rs. 10 each (2.82%)
Relationship with other Directors / Key Managerial Personnel	Relative of Mr. Ravjibhai Patel Managing Director

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

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

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

Registered Office:

“SurbhiHouse”, 2nd Floor, FP NO 206,
B/h Old Sub Jail, Ring Road,
Khatodara Surat - 395002

Date: 01/09/2020

Place: Surat

By order of the Board

Sd/-

Bipinbhai Patel
(DIN: 00023447)
Chairman

SURBHI INDUSTRIES LIMITED

DIRECTOR'S REPORT

**To,
Dear Shareholders,**

The Directors of your Company have pleasure in submitting their Twenty Eighth Annual Report together with the Audited Financial Statements for the year ended 31st March, 2020.

FINANCIAL RESULTS

During the year under review, the company had managed to record turnover of Rs. 2875.74 lakh against the previous year turnover of Rs. 1942.92 lakh which shows approximately 48.01% increase in comparison with the previous year. This is mainly due to effect of GST implementation. The company had occurred profit after tax of Rs. 280.420 Lakh during the year compared to previous year's loss of Rs. 67.68 Lakh. Overall market was on improving mode for the textile industry during the year 2019-20.

But due to COVID-19 market conditions are badly impacted and company is assessing the impact of COVID-19 for current financial year 2020-21 as the first two quarters are deeply impacted on labour/workforce, raw material, transportation and individual as well as commercial demands are heavily impacted. Company expect to normalise the market by the end of 4 quarter unless any foreseen event occurred.

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 2020.

TRANSFER TO RESERVES

No amount has been transferred to General Reserve Account.

ANNUAL RETURN

Pursuant Section92 (3) Annual Return will be available on following web link:
<http://www.surbhi.com/pdf/annual-reports/annual-return-form-march-2020.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.

DIRECTOR

Pursuant to Section 152 of the Companies Act, 2013 Mr. Bipinbhai Jasmatbhai Patel Director of the Company is liable to retire at the ensuing Annual General Meeting of the Company and he, being eligible, offers himself for re-appointment. Your directors recommend for his appointment. None of the directors or KMP except Mr. Bipinbhai J . Patel being appointee and Mr. Ravjibhai being relative are interested in the said resolution.

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 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 in the Annual Report.

DEPOSITS FROM PUBLIC

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

INSURANCE

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

AUDITORS

M/s VIKRANT B. GHAEEL & CO. (FRN:122734W) was appointed as Statutory Auditor of the company from the conclusion of 26th AGM till the conclusion of 30th AGM at the 26th annual general meeting of the company on such remuneration as may be agreed upon by the Audit Committee/Board of Directors in consultation with the Statutory Auditors. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. VIKRANT B. GHAEEL & CO. confirming to the effect that their appointment would be accordance with the provision of Section 141 of the Companies Act, 2013.

Provision of Company (Amendment) Act 2017 become effective from 7th May 2018 and thus Board has noted the appointment of auditor made for the period from the conclusion of 26th Annual General Meeting to Conclusion of 30th Annual General Meeting and hence there is no change in auditor formal resolution for ratification is not mentioned in the notice.

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.

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 31st March 2020 and of the Profit & Loss of the Company for that period.
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the annual accounts have been prepared on a going concern basis
5. That internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively.
6. That proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 2019-20.

RISK MANAGEMENT

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

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) and Mrs. Sheetal Harsh Patel (DIN: 06858676) were appointed as independent directors at the annual general meeting of the Company held on 30th June, 2018. The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

SECRETARIAL AUDIT AND OBSERVATIONS

Pursuant to the provisions of Section 204 of Companies Act, 2013 and rules made there under, the Company has appointed Mr. Kunal Bajaj, Practicing Company Secretary to undertake the Secretarial Audit of the Company.

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

TRANSACTIONS WITH RELATED PARTIES

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

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

CONSERVATION OF ENERGY:

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

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

During the year total 9.21 lakh units were generated through wind mill and credit of these units were given by DGVCL against its electricity consumption by the unit.

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

A. Power and Fuel Consumption:

Sr.	Particulars	2019-20	2018-19
1	Electricity		
(a.)	Purchased		
	Total Units (In lacs kw)	31.68	26.38
	Total Amount (In lacs Rs.)	216.26	175.61
	Rate / unit (In Rs.)	6.83	6.66
(b)	Own Generation		
	Wind Mill (units in lacs) (Credit was given in Electric Bill of Rs 54.62 lacs which amounts to Rs. 5.93 per unit)	9.21	11.72

2	Diesel	N.a.	N.a.
3	Furnace Oil	N.a.	N.a.
4	Others	N.a.	N.a.

Technology absorption

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

Foreign exchange inflow / out flow

	Year 2019-20	Year 2018-19
Foreign Exchange inflow	nil	nil
Foreign Exchange outflow	Rs. 4,78,699	Rs. 2,00,460

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.

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

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

CORPORATE GOVERNANCE

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

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report of the Corporate Governance and the Certificate of the Auditors of the Company in respect of compliance thereof are appended hereto and forming part of this report.

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. Necessary steps and application for revocation of suspension of trading is in process.

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	23.73 :1
Bipinbhai Jasmatbhai Patel	20.53 :1

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

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Ravjibhai Parbatbhai Patel	NIL
Bipinbhai Jasmatbhai Patel	NIL

c. The percentage increase in the median remuneration of employees in the financial year*- approx. 10.69 %

* 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. 360-410 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-

124 employees.

e. The explanation on the relationship between average increase in remuneration and Company performance

On an average there is approximate 8-15 % rise in the remuneration of the employees.

The increase in remuneration is in line with the market trends in the respective industries. Generally, market rates are decided on the availability of the worker in the surrounding areas, sometimes during festive season daily wages workers travelled to their home location and during that period considering the requirement of organization and need of productions higher rates were also required to be paid. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

f. Comparison of the remuneration of the key managerial personnel against the performance of the Company

Aggregate remuneration of key managerial personnel (KMP) in FY19-20	44,76,000
Revenue	28,75,74,593
Remuneration of KMPs (as % of revenue)	1.56%
Profit before Tax (PBT)	30,977,342
Remuneration of KMP (as % of PBT)	14.45%

During the previous year under review company had made expansion and cost of depreciation was higher, the time and contribution given by the KMP can not only measured in terms of percentages.

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:*

Particular	March 31, 2020	March 31, 2019	% Change
Market Capitalisation	-	-	-
Price Earnings Ratio	-	-	-

As on date status of company is suspended for trading and hence no trading data available on BSE Ltd. In absence of trading value and market capitalization the above data could not be comparable.

h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Market Price (BSE)	As per note given below
-	-

As on date status of company is suspended for trading and hence no trading data available on BSE Ltd. In absence of trading value and market capitalization the above data could not be comparable. The shares of company's are thinly traded and there is no such volumes of trading in the scrip of the company. Company had issued shares before two decades and thereafter company was not in a good financial condition and the shares of the company were delisted and thereafter company made efforts to revoke the trading and since then price of the company's scrip is showing thin trading. Hence the data pertain to above is not comparable.

i. 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:

j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

	Name of KMP Ravjibhai Parbatbhai Patel	Name of KMP Bipinbhai Jasmatbhai Patel
Remuneration in FY 2019-20	24,00,000	20,76,000
Revenue	28,75,74,593	
Remuneration as % of Revenue	0.83%	0.73%
Profit before Tax	30,977,342	
Remuneration as % of PBT	7.75%	6.70%

k. The key parameters for any variable component of remuneration availed by the directors: N.A.

l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: None

m. 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.

n. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer

Market Price (BSE)	As per note given below
-	-

The shares of company are thinly traded on off market (as status of company is suspended for trading) and there is no such volume of trading in the scrip of the company. Company had issued shares before two decades and thereafter company was not in a good financial condition and the shares of the company were delisted and thereafter company made efforts to revoke the trading and since then price of the company's scrip is showing thin trading. Hence the data pertain to above is not comparable.

TAXES:

Company is regularly paying Income tax, Sales Tax, and other statutory dues like Provident Fund, ESIC, as applicable. As regard to Service Tax appropriate provision and treatments have been made as per law. Details of the payment refund and appeals and disputed amount 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. 31st March, 2020 and the date of Board Report. Company is assessing impact of GST in the textile industry and the same is seen as major challenges to the industry. Year 2020 become year of challenges COVID-19 pandemic change the life of industry and market. Government of India and local authority had imposed lock down as and when necessary and due to the same industry is facing lots of problems with respect to labor, raw material, transportation, working hours etc. First Quarter of the year 2020-21 was heavily impacted and second quarter show some sign of recovery in market. However, company expects to normalize the market condition by end of fourth quarter unless contrary event occurred.

ORDERS PASSED BY REGULATORY BODIES OR COURTS

No regulatory body or court or tribunal has passed any significant and material orders impacting the going concern status and operations of the company. During the year BSE Ltd. had passed order for delisting of securities of company and after appropriate representation with various authorities BSE Ltd vide its letter dated 31st August 2019 revoked the order of delisting. BSE vide its letter dated October 3, 2019 given in principle approval for revocation of suspension of trading of equity shares. Company is in process of complying with the same.

COVID -19 Pandemic

In accordance with the third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone financial statements and all other documents required to be attached thereto has been hosted on its website www.surbhi.com.

Considering the relaxations provided by Ministry of Corporate Affairs on account of COVID-19 and difficulties involved in dispatch of physical copies of financial statements, the Company has not printed Annual Report for the financial year 2019-20. The members are requested to take note of the same. Further, please note that the said financial statements along with other necessary documents/ registers will be available for inspection by the Members of the Company at the Registered Office of the Company during business hours from 10.00 a.m. to 12.30 p.m. on all working days except Saturdays, Sundays, Bank Holidays and National Holidays. However, the members are requested to provide prior intimation of the same.

MANAGEMENT DISCUSSION AND ANALYSIS:

1. Management discussion:-

i. Industry structure and developments.

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

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

Situation in textile industry is more challenging as the considerable down turn in demand and labor problems, due to COVID-19 situation most of the man power is not available and scarcity of raw material is also matter of concern.

ii. OPPORTUNITIES AND THREATS:

The Indian cotton textile industry is expected to showcase a stable growth in FY2019-20, supported by stable input prices, healthy capacity utilization and steady domestic demand. Unless the COVID-19 pandemic situation arisen Indian textile sector was on the road map to success.

Government is providing various incentives under TUFs. The Customers also growing rapidly. At the same time, there is intense price pressure from the competitors and international financial crisis. Major threat is from international market and mainly from china. GST will impact most to the textile industry as the same is in most unorganized sector and implementation of GST will be seen as game changer to this industry.

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

iii. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

iv. OUTLOOK

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

v. RISKS AND CONCERNS:

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. COVID-19 situation may also increase in various demand of industrial products and

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 2019-20 was very remarkable top line of company show increase in 43.40% and bottom line show a positive sign as company has reported 280.38 Lakh profit after tax as compared to loss of Rs. 67.68 lakhs. Operational margins of company were improved as compare to previous year. In future company expected to provide better financial performance.

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

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

Employee's relations continue to be cordial. Training and development activities are identified, organizes and progress monitored as part of human resource development activities. This is time of challenges and human resource particularly workers class shifted to their native location and will take some time to easy availability of

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 2018-19 company reported loss of Rs. 67.68 Lakhs and during the current financial year 2019-2020 company manage to reverse the scenario and attain profit after

tax of Rs. 280.38 lakh. Most of the financial ratios are not comparable to previous year but major improvement shown to Inventory turnover ratio, Debt coverage ratio, Operating Profit margin, Net Profit margin. Main reason to improve margins is higher utilisation of resource and increase in net revenue and decrease in financial cost and depreciation cost. Company had made net profit of Rs. 280.38 lakh and that is the main reason to increase in the net worth of the company to 24.51%.

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. Government of India has given various financial support to meet the challenges of COVID-19 situation.

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 sexual harassment. 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: 01/09/2020
Place: Surat

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

Sd/-
Bipinbhai Patel
Chairman
DIN: 00023447

SURBHI INDUSTRIES LIMITED

CORPORATE GOVERNANCE

COMPANYS' PHILOSOPHY ON CORPORATE GOVERNANCE

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

Board of Directors

I. Composition and Category

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

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

The Board duly met 8 times on 28.05.2019, 13.08.2019, 11.11.2019, 14.11.2019, 28.01.2020, 20.02.2020 and at 10.00 a.m. 14.03.2020 and at 4.00 pm.14.03.2020*. 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 31st March 2020 are given below.

Name of the Director	Category	Attendance particular 2019-20				
		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	8	7	Y	-	-
2. SHRI RAVJIBHAI PATEL	Executive	8	7	Y	-	-
3. SHEETAL HARSH PATEL	Independent	8	8	Y		
4. SATISH NARANDAS PATEL	Independent	8	8	Y		

* at the meeting of independent directors non-independent directors are not entitled to attend.

III. Information on Directors Re-appointment

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

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

Name of Director	Mr. Bipinbhai Jasmatbhai Patel
Date of Birth	14th March 1970
Date of Appointment	21st May 1992
Qualification	Diploma Mechanical Engineer

Expertise in specific functional areas	Production Market development, Public Relation
List of Companies in which directorship is held as on	N. A.
Chairman / Member of the committee	2
Terms and Conditions of Re-appointment	As per the resolution at Item No. 2 of the Notice convening this Meeting read with explanatory statement thereto
Remuneration last drawn (including sitting fees, if any)	Rs. 20.76 Lakh for FY. 2019-20 drawn as WTD of the company.
Remuneration proposed to be paid	As per his original terms of appointment
No. of Board Meetings attended during the year (out of * held)	7
Shareholding of the Director in the Company	97000 Equity shares of Face Value of Rs. 10 each (2.82%)
Relationship with other Directors / Key Managerial Personnel	Relative of Mr. Ravjibhai Patel Managing Director

* only public limited companies are considered

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 2019-20 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 31.03.2020 and for the review of financial position of the company. The Accounts and Financial position perused by the Audit Committee were placed before board for their consideration.

Attendance

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

During the year under review committee met four times on 28.05.2019, 13.08.2019, 14.11.2019, 28.01.2020

V. NOMINATION & REMUNERATION COMMITTEE

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

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

During the financial year 2019-20 the meeting of the Remuneration Committee was held on 13.08.2019 & on 14.03.2020 to review the remuneration of Mr. Ravjibhai Parbatbhai Patel, MD and Mr. Bipinbhai

Jasmatbhai Patel WTD and approve the remuneration payable to MD/WTD as per the terms approval at the meeting of shareholders.

DETAILS OF REMUNERATIONS PAID TO MANAGING DIRECTORS / WHOLE TIME DIRECTORS DURING THE FINANCIAL YEAR 2019-20 IS GIVEN HERE BELOW:

(Amount in Rs.)

NAME OF DIRECTOR	REMUNERATION	SITTING FEES	TOTAL
Mr. Ravjibhai Parbatbhai Patel	2400000/-	NIL	NIL
Mr. Bipinbhai Jasmatbhai Patel	2076000/-	NIL	NIL

Notes:

1. 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.
2. No sitting fees are paid for attending the meeting of the Board or sub committees of the Board.

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

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

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

During the year under review 4 meetings of Stakeholder's Relationship Committee meetings were held on 13/08/2019, 10/12/2019, 31/12/2019 and 10/01/2020

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 31-03-2020.

All valid transfers received during the financial year 2019-20 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 14th march 2020.

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 30.06.2018 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 of grievance redressal service department exclusively for the purpose of registering complaints by investor. For, prompt disposal of any query or any matters Shareholders may contact to the Registrar and Share Transfer Agent and under the above referred email id.

VII. SHARE TRANSFER:

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

IX. MARKET PRICE DATA:

There was no trading in the shares on any of the Stock Exchanges during the year 2019-20 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

28THAnnual General Meeting of the members of SURBHI INDUSTRIES LIMITED will be held on Wednesday the 30thday of September 2020 at 12.30 P.M. at "Surbhi House", 2nd 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
2018-19	28/09/2019	10:00 A.M.	Registered office	Nil
2017-18	28/09/2018	10:00 A.M.	Registered office	Nil
2016-17	29/09/2017	10:00 A.M.	Registered office	Nil

XII. COMPLIANCE OFFICER:

During the year 2019-20 Mrs. Hetal Joshi, Company Secretary acting as the Compliance Officer of the company.

XIII. LISTING

At present your Company's securities are listed on the BSE Limited, Necessary steps are being taken to revoke the suspension at the BSE Limited.

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 Wednesday, September 23, 2020 to Wednesday, September 30, 2020 (both days inclusive)

XVII. SHAREHOLDING PATTERN:

Shareholding pattern as on 31.03.2020

Indian	
1.Promoters and Promoter Group	51.81
2. Public Shareholding	48.19
Foreign	
1. Promoters and Promoter Group	
2. Public Shareholding	
TOTAL	100.00%

Detail shareholding pattern is available on website of the company at 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: 01/09/2020
Place: Surat

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,
The Members of
SURBHI INDUSTRIES LIMITED.
Surat

We have examined the compliance of conditions of Corporate Governance by SURBHI INDUSTRIES LIMITED ("the Company"), for the year ended on 31st March, 2020 as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015 as referred to in Regulation 15(2) of the Listing Regulations.

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 explanation given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulation, as applicable except Regulation 17(1)(b) of Listing Obligation and Disclosure Requirement (LODR), 2015 regarding composition of Board of directors.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that no investor grievances are received during the financial year under review. 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.

Place: SURAT

Date: 16/06/2020

For, VIKRANT B. GHAEI & CO.
Sd/-
(VIKRANT BIPINCHANDRA GHAEI)
Proprietor
M. No.: 112324
FRN: 122734W

**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, 2020 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
 - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

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

**Place: Surat
Dated: 01.09.2020**

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, 2020

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

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

SL. NO.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements/transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

SL. NO.	Particulars	Details
a)	Name(s) of the related party and nature of relationship	SURBHI TEXTILE MILLS PVT LTD (Relative of Directors are the members and directors of the company)
b)	Nature of contracts/arrangements/transactions	Rent
c)	Duration of the contracts / arrangements/transactions	One year
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 1,32,000/- per annum
e)	Date(s) of approval by the Board, if any	25.02.2019
f)	Amount paid as advances, if any	N.A.

Form No. MR-3

**Secretarial Audit Report for the Financial Year Ended 31 March, 2020
[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 provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s 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 our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

- A. The Companies Act, 2013 (‘the Act’) and the rules made there under;
- B. The Securities Contracts and the rules made there under;
- C. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (as on date company does not have any de-materialization facility)
- D. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - i. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
2. The Listing Agreements entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015; I report that, during the year under review, the company has complied with the provisions of the Act, rules, regulations and guidelines mentioned above.
On account of pandemic “COVID 2019” and nationwide lockdown imposed by governments, the audit process has been modified, wherein certain documents /records etc. were verified in electronic mode, and have relied on the representations received from the Company for its accuracy and authenticity.

I report that, during the year under review, the company has complied with the provisions of the Act, rules, regulations and guidelines mentioned above. As on date status of script of company at BSE is ‘Suspended for Trading’.

I further report that, there were no events/actions in pursuance of:

- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
- b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- c. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- d. 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;

- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- g. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of
- h. Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

I further report that: -

- 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.
- According information and information and explanation given to us adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance, 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.

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 audit 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, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc, referred to above. As on date listing status of Company is suspended and there is no trading facility available at stock exchange BSE Ltd.

During the year BSE Ltd vide its letter dated October 3, 2019 given in principle approval for revocation of suspension of trading of equity shares.

NOTE: This Report is to be read with our letter of even date which is annexed as Annexure MR-3A and Forms an integral part of this report.

Date: 28.08.2020
Place: Ahmedabad

Sd/-
Kunal Bajaj
Practising Company Secret
UDIN:A043192B00630361
M.NO.ACS: 43192

Annexure-MR-3 A

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. I believe that the process and practices, I 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. My 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: 28.08.2020
Place: Ahmedabad

Sd/-
Kunal Bajaj
Practising Company Secretary
UDIN:A043192B00630361
M.NO.ACS: 43192

NOTICE AS PER SEBI CIRCULAR

Bigshare Services Pvt. Ltd
A-802, Samudra Complex, off C G Road, Navrangpura, Near
Girish Cold Drinks Ahmedabad 380 009
Tel. No. 91 79 40024135; email: investor.ahm@bigshareonline.com

Ref:
Date 03.09.2020

Folio No. :

Dear Shareholder(s),

Unit: Surbhi Industries Ltd.

Sub.: Mandatory update of PAN and Bank details

Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio.

As per the records of the Company / RTA, your folio needs to be updated with the PAN and complete bank account details.

Hence you are requested to submit the following documents within 21 days of receipt of this communication:

- The form which has been provided overleaf of this letter, dully filled in and sign by all the shareholders
- Self-attested copy of PAN card of the shareholder (including joint holders)
- Original cancelled cheque leaf with the name of first /sole shareholder printed on it and in absence of personalized cheque copy of bank passbook showing name & account details of the account holder attested by bank
- Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

In case if you have any queries or need any assistance in this regard, please contact us at the above address: On receipt of the above document we will update the same in our records.

Important information: In terms of SEBI Gazette Notification dated June 08, 2018, shares in physical form will not be transferred after December 05, 2018. Hence, in your interest, it is advised to get your shares converted into demat form at the earliest.

Thanking you,

Yours faithfully,

for Bigshare Services Pvt Ltd.

Sd/-
Authorised Signatory

PTO

**FORM FOR FURNISHING PAN AND
BANK DETAILS**

Bigshare Services Pvt. Ltd
A-802, Samudra Complex, off C G Road,
Navrangpura, Near Girish Cold Drinks Ahmedabad 380 009.

Dear Sir/Madam,

Unit: Surbhi Industries Ltd

I/we hereby furnish our PAN and bank mandate details for updating in your records. I/we am/are enclosing herewith:

- 1) Self-attested copy of PAN card of the shareholder (including joint holders)
- 2) Original personalized cancelled cheque leaf / First page of bank pass book
- 3) Address proof (self-attested copy of Aadhar-card/voter id/electricity bill/telephone bill)

Folio No.												
Mobile No.												
E-Mail id												
Bank Account Details : (for electronic credit of dividends)												
Name of the Bank												
Name of the Branch												
Account Number (as appearing in cheque book)												
Account Type (Please tick as applicable)				Saving			Current			Cash Credit		
9 Digit MICR Number (as appearing on the MICR cheque issued by the bank) Please enclose a photocopy of a cheque for verification												
11 Digit IFSC Code												
	Name			PAN			Signature (as per specimen registered with the Company / RTA)					
First Holder :												
Joint Holder 1 :												
Joint Holder 2 :												

Date:

Place:

Note: The above details will not be updated if the supporting documents are not attached and or not duly signed by the shareholder (including joint holders).

INDEPENDENT AUDITOR'S REPORT

To the Members of Surbhi Industries Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements Surbhi Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act 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, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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;
 - c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - h) The Company does not have any pending litigation which would impact its financial position.
 - i) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - j) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For VIKRANT B.GHAEL.
Chartered Accountants
FRN. 0122734W**

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

**Date: 16th June, 2020
Place: Surat**

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of company.
- ii. As explained to us, the inventory has been physically verified by the management at regular intervals during the year and the company has maintained proper records of inventory. Moreover, no material discrepancies were noticed on physical verification of inventory as compared to books records.
- iii. In our opinion and according to the information and explanations given to us, the company has not granted loans or made investments or given guarantees and security. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.
- iv. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- v. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vi. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, GST, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- vii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- viii. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid or provided. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- x. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

- xi. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013. The details have been disclosed in the Financial Statements as required by the applicable Ind AS in Note 30 of Financial Statements.
- xii. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xiv. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For VIKRANT B.GHAEL.
Chartered Accountants
FRN. 0122734W

Sd/-
Vikrant Bipinchandra Ghael
Proprietor
M.No. 112324
Date: 16th June, 2020
Place: Surat

“Annexure 2” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of SURBHI INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of **SURBHI INDUSTRIES LIMITED** as of March 31, 2020 in conjunction with our audit of the standalone 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. 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 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 unauthorized 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 March 31, 2020, 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 VIKRANT B.GHAEL.
Chartered Accountants
FRN. 0122734W

Sd/-
Vikrant Bipinchandra Ghael
Proprietor
M.No. 112324
Date: 16th June, 2020
Place: Surat

SURBHI INDUSTRIES LIMITED

Notes to the Ind AS Financial Statements for the year ended 31st March, 2020

(All amounts are in INR Actual, unless otherwise stated)

1. COMPANY OVERVIEW

Surbhi Industries Limited is engaged in the manufacturing of Fabric and Yarn (Textile) It was incorporated on 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.

For other fair value related disclosures refer note no 32.

c) Functional and Presentation Currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Revenue from sales is recognized when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery.

b) Property, Plant and Equipment

i. Property, Plant and Equipment

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

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

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

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

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

Criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

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

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

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

ii. Depreciation

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

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

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

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

c) Financial Instruments

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

Financial Assets

Initial recognition and measurement

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

Subsequent Measurement

Subsequent measurement of financial assets is described below –

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

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

Financial Assets – Derecognition

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

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or

has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' **arrangement; and either (a) the** Company has transferred substantially all the risks and rewards of the asset, or **(b) the** Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt

instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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

Financial liabilities – Recognition and measurement

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

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

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

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

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

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

•Loans and Borrowings

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

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

Financial liabilities – Derecognition

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

Offsetting of financial instruments

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

For more information on financial instruments Refer note no 32

d) Cash and Cash Equivalents

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

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

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

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

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

f) **Inventories**

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

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

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

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

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

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

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

g) **Taxation**

Current income tax

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or

part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

h) Employee Benefit Schemes

i. Short-term employee benefits

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

ii. Post-employment benefits

Defined benefit plans – Provident fund

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

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

i) Foreign Currency Transactions

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

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

j) Earnings Per Share

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

k) Segment Reporting

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

l) Cash Flow Statement

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

m) Use of Estimates and Judgments

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

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

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

Surbhi industries Ltd
Balance Sheet As At 31st March,2020

Particulars	Note	As at 31st March,2020 (Amount in "RS.")	As at 31st March,2019 (Amount in "RS.")
ASSETS			
Non-current assets			
(a) Property , Plant and Equipment	1	88425912	121075070
(b) Financial Assets			
(i) Investments	2	2173700	2173700
(ii) Loans & Advance	3	2853335	2604676
(c) Defferred tax assets (net)	4	9950278	4718979
Current assets			
(a) Inventories	5	9899766	11578411
(b) Financial Assets			
(i) Trade Receivable	6	71907009	46732804
(ii) Cash and cash equipments	7	737158	299856
(c) Other Current Assets	8	30708916	35470479
Total Assets		216656075	224653975
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	34374000	34374000
(b) Other Equity	10	108046346	80004204
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Loans	10	16200000	42280404
(b) Provisions	11	3723000	1937000
(c) Defferred tax liabilities (net)	12	0	0
Current liabilities			
(a) Financial liabilities			
(i) Loans	13	17529848	32172644
(ii) Trade paybles	14	7490096	7755263
(b) Other current Liabilities	15	23496000	23496000
(c) Provisions	16	5796784	2634461
Total Equity and Liabilitues		216656075	224653976

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

For, Vikrant B. Ghael & Co.
Chartered Accounts
FRN: 0122734W

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

Sd/-
Vikrant Bipinchandra Ghael
M. No. 112324

Sd/-
Ravjibhai P. Patel
Director
DIN: 00023332

Sd/-
Bipinbhai J. Patel
Director
DIN : 00023447

Date: 16th June ,2020
Place: Surat

Date: 16th June ,2020
Place: Surat

Surbhi industries Ltd
Statement of Profit and Loss for the year ended 31st March,2020

Sr. No	Particulars	Note	As at 31st March,2020 (Amount in "RS.")	As at 31st March,2019 (Amount in "RS.")
I	Revenue from operations	17	287574593	194292895
II	Other Income	18	13454730	15632032
III	III. Total Revenue (I +II)		301029323	209924927
IV	Expenses:			
	Cost of materials consumed	19	160964619	114996054
	Purchase of Stock-in-Trade			
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade - Increase(Decrease)	20	1785735	692613
	Employee Benefit Expense	21	24414392	20020342
	Financial Costs	22	9421439	13995633
	Depreciation and Amortization Expense	23	33016703	43459781
	Other Expenses	24	40449093	29788541
	Total Expenses (IV)		270051981	222952964
V	Profit/(loss) before exceptional items and tax (I-IV)		30977342	(13028037)
VI	Exceptional Items		-	0
VII	Profit/(loss) before tax (V-VI)		30977342	(13028037)
VIII	Tax expense:			
	(1) Current tax	25	8170216	2623239
	(2) Deferred tax		(5231299)	(8882503)
IX	Profit(Loss) from the period from continuing operations (VII-VIII)		28038425	(6768773)
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)		28038425	(6768773)
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		3,719	-
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)		28042144	(6768773)
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		8.16	(1.97)
	(2) Diluted		-	-
XVII	Earnings per equity share (for discontinuing operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share (for discontinuing & continuing operation):			
	(1) Basic		8.16	(1.97)
	(2) Diluted		-	-

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

For, Vikrant B. Ghael & Co.
Chartered Accounts
FRN: 0122734W

Sd/-
Vikrant Bipinchandra Ghael
M.No. 112324

Date: 16th June, 2020

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

Sd/-
Ravjibhai P. Patel
Director
DIN: 00023332

Sd/-
Bipinbhai J. Patel
Director
DIN: 00023447

Date: 16th June, 2020
Place: Surat

M/S. SURBHI INDUSTRIES LTD.

Cash Flow Statement for the year ended on 31.03.2020

	FY 2019-20		FY 2018-19	
A. Cash Flow from Operating Activities				
Net Profit Befor Tax	30977342		-13028037	
Adjustments For :				
Add: Deprecition	33016703		43459781	
Financial Charges	9421439		13995633	
	42438142		57455414	
Less				
: Investment Income	4971745		3877605	
Profit on sale of Fixed Assets			0	
	4971745		3877605	
Operating Profit before Working Capital Changes		68443739		40549772
Adjustment for Working Capital Changes				
Cash Inflow				
Decrease in Receivables	-		-	
Decrease in Other Current Assets	-		-	
Decrease in Trade & Other Receivable				
Increase in Long Term Provsions	1786000		0	
Increase in Short Term Provisions	3162323		1438712	
Increase in Other Cuirrent Liabilities	0		-5110810	
Increase in Trade Payables	-265167		5863127	
	4683156.3		2191029	
Cash Outflow				
Decrease in Trade Payables	-		-	
Decrease in Short Term Provisions				
Decrease in Other Cuirrent Liabilities				
Increase in Trade & Other Receivable	25174205		2781390	
Increase in Loans & Advances	248659		0	
Increase in Other Current Assets	-4761563		1318588	
Increase in Inventory	-1678645		-997333	
	18982656		3102645	
Net Cash Inlow(outflow) for working Capital		-		
Cash From Operations		14299500		-911616
Less				
: Direct Taxes Paid		-8166497		-2623238
Net Cash Flow from Operating Activities		45977742		37014918
B. Cash Flow from Investing Activities				
Cash Inflow				
Decrease in FD				
Investment Income	4971745		3877605	
Decrease in Long Term Loans and Advances	0		9585	
Sale of Fixed Assets	0		0	
Subsidy Received	0		0	
	4971745		3887190	
Cash Outflow				
Purchase of Fixed Assets	367546		720529	
Increase Investments	-		-	
Increase FD	0		0	
Increase in other Non-Current Assets	0		0	
	367546		720529	
Net Cash Inflow(Outflow) in Investing Activities		4604199		3166661

M/S. SURBHI INDUSTRIES LTD.				
Cash Flow Statement for the year ended on				
31.03.2020				
	FY 2019-20		FY 2018-19	
C. Cash Flow from financing Activitie				
Cash Inflow				
Increase in working Capital Loans	-14642796		26807460	
Increase in Term Loan(Net)	-26080404			
Increase in share capital				
	-40723200		26807460	
Cash Outflow				
Financial Charges	9421439		13995633	
Repayment of Termloans			53005355	
Repayment of Deposits	0		0	
Decrease in short term borrowing	0			
	9421439		67000988	
Net Cash Inflow(Outflow) in Financing Activities		50144639		-40193528
Net Cash Flow		437303		-11949
Net Cash Changes				
Cash and Bank as on 1st April	299856		311805	
Cash and Bank as on 31st Mar	737158	-437302	299856	11949

For, Vikrant B. Ghael & Co.
Chartered Accounts
FRN: 0122734W

Sd/-
Vikrant Bipinchandra Ghael
M.No. 112324

Date: 16th June, 2020

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

Sd/-
Ravjibhai P. Patel
Director
DIN: 00023332

Sd/-
Bipinbhai J. Patel
Director
DIN: 00023447

Date: 16th June, 2020
Place: Surat

Surbhi industries ltd
Statement of Changes in Equity for the Year Ended 31st March, 2020

A. Equity Share Capital

Particulars	Number of Shares	Amount in Rs.
Equity Shares of Rs. 10 each issued, subscribed & fully paid		
As at 31st March, 2019	34,37,400	34,374,000
As at 31st March, 2020	34,37,400	34,374,000

**B. Other Equity
(Amount in Rs.)**

Particulars	Other Equity		Other items of Other Comprehensive Income (specify nature)	Total
	Other Reserves (Capital Reserve)	Retained Earnings		
As at 1st April, 2019	2500000	77,504,203	0	80,004,204
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	28,042,144	0	28,042,144
Comprehensive Income for the year	0	0	0	0
Total Comprehensive Income for the year	0	0	0	0
Transfer to retained earnings	0	0	0	0
As at 31st March, 2020	2,500,000	105,546,347	0	108,046,346

For, Vikrant B. Ghael & Co.
Chartered Accounts

FRN: 0122734W
Sd/-
Vikrant Bipinchandra Ghael
M. No. 112324

Date: 16th June ,2020

Place: Surat

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

Sd/-
Ravjibhai P. Patel
Director
DIN : 00023332

Date: 16th June ,2020

Place:
Surat

Sd/-
Bipinbhai J. Patel
Director
DIN : 00023447

Surbhi industries ltd
Note 1 Property Plant and
Equipment

(Amount in Rs.)

Particulars	Gross Block				Accumulated Depreciation				Net Block		
	Balance as at 01/04/2019	Addition	Deduction	Retained earnings Balance as at 31/03/2019	Balance as at 01/04/2019	Depreciation for the year	Deduction	Depr Fund	Balance as at 31/03/2020	Balance as at 31/03/2019	
Land	2,400,760	-	-	-	2,400,760	-	-	-	2,400,760	2,400,760	
Factory Building	21,340,765	-	-	-	21,340,765	10,595,423	876,818	-	11,472,241	9,868,524	10,745,342
Plant & Machinery	362,066,381	207,231	-	-	362,273,612	264,859,186	30,259,856	-	295,119,042	67,154,570	97,207,195
Office Equipment	2,568,173	119,213	-	-	2,687,386	1,767,955	314,014	-	2,081,969	605,417	800,218
Electrification	4,028,722	-	-	-	4,028,722	3,047,776	78,360	-	3,126,136	902,586	980,946
Vehicles	276,450	-	-	-	276,450	207,242	10,669	-	217,911	58,539	69,209
Computer	1,417,014	41,102	-	-	1,458,116	1,298,484	60,084	-	1,358,568	99,548	118,530
Furniture & Fixtu.	854,542	-	-	-	854,542	632,785	29,244	-	662,029	192,513	221,756
Testing & Lab Equip.	221,722	-	-	-	221,722	200,484	3,515	-	203,999	17,723	21,238
Tube Well	57,612	-	-	-	57,612	41,627	1,947	-	43,574	14,038	15,985
Water Tank	23,990	-	-	-	23,990	6,065	3,990	-	10,055	13,935	17,925
Motor Car	10,477,236	-	-	-	10,477,236	4,689,816	1,244,172	-	5,933,988	4,543,248	5,787,420
Other Machinery	968,745	-	-	-	968,745	248,751	61,354	-	310,105	658,640	719,994
Office Building	2,295,202	-	-	-	2,295,202	326,650	72,681	-	399,331	1,895,871	1,968,552
Current Year Total	408,997,314	367,546	-	-	409,364,860	287,922,244	33,016,703	-	320,938,947	88,425,912	121,075,070
Previous Year Total	408,276,785	720,529	-	-	408,997,314	244,462,464	43,459,781	-	287,922,243	121,075,071	163,814,321

Note 2 Non- Current Investment

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Non -Trade Investment		
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
TOTAL	2,173,700	2,173,700

Note 3 Long Term Loans And Advances

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Security Deposites	2,853,335	2,604,676
TOTAL	2,853,335	2,604,676

Note 4 Deferred Tax

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Deferred Tax Assets	9,950,278	4,718,979
TOTAL	9,950,278	4,718,979

For Detail Refer Note No. 29

Note 5 Inventories

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Raw Material	4,954,524	4,715,786
Work in Progress	2,057,613	1,920,398
Finished Goods	2,640,796	4,563,746
Stores and Spares	135,423	189,865
Oils and Chemical	45,987	102,654
Packing Materials	65,423	85,962
TOTAL	9,899,766	11,578,411

Note 6 Trade Receivable

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Unsecured , Considered Good		
Less than Six month	71,036,025	46,119,262
More than Six month	870,984	613,542
TOTAL	71,907,009	46,732,804

Note 7 Cash And Cash Equipments

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Cash on Hand	11,049	108,446
Balance With Bank	726,109	191,410
TOTAL	737,158	299,856

Note 8 Other Current Assets

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Prepaid Expenses	1,866,011	1,960,032
Advance Tax	-	-
TDS Receivable	-	-
CGST Input Credit	517,332	2,716,778
SGST Input Credit	372,814	2,438,839
IGST Input Credit	293,892	2,365,767
Vat Subsidy	5,476,158	5,476,158
Fixed Deposit With Bank	21,993,959	20,503,295
Wind Mill Receivable	-	-
Interest Subsidy Receivable	-	-
P.F. Receivable	-	-
Loan Advance to staff	188,750	-
T.C.S Receivable	-	-
Salary Payable	-	9,610
TOTAL	30,708,916	35,470,479

Note 9 Share Capital

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Authorised		
50,00,000 (PY 50,00,000) Equity shares Of Rs. 10 each	50,000,000	50,000,000
Issued & Subscribed Capital		
34,37,400 (PY 34,37,400) Equity shares Of Rs. 10 each	34,374,000	34,374,000
Paid up Capital		
34,37,400 (PY 34,37,400) Equity shares Of Rs. 10 each	34,374,000	34,374,000
Total	34,374,000	34,374,000

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, 2019 and March 31, 2018 is set out below:

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Rs.	Number	Rs.
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 shareholder (Holding More than 5% Shares)

Name of Share Holder	As at 31st March 2020		As at 31st March 2019	
	Number	%	Number	%

Note 10 Long Term Borrowing

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Term Loan - Secured		
Dena bank Hypothecation of Plant & Machinery Euitable mortgage Of Land and Building	16,200,000	42,280,404
TOTAL	16,200,000	42,280,404

Note 11 Deferred Tax

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Deferred Tax Liabilities	-	-
TOTAL	-	-

Note 12 Long Term Provision

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Employee Benefits		
Gratuity	3,723,000	1,937,000
TOTAL	3,723,000	1,937,000

Note 13 Short Term Borrowings

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Secured		
Working Capital From Dena bank (C.C A/c) & FCDL Kotak Mahindra Car Loan	17,529,848 -	31,567,210 605,434
TOTAL	17,529,848	32,172,644

Note 14 Trade Paybles

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Sundry Creditor for Goods	3,027,877	5,644,728
Sundry Creditor for Expenses	4,462,219	2,110,535
TOTAL	7,490,096	7,755,263

Note 15 Other Current Liabilities

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Current Maturities Of Long tem Debts	23,496,000	23,496,000
TOTAL	23,496,000	23,496,000

Note 16 Short Term Provision

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Provident Fund Payble	60,598	64,356
Tds Payble	195,028	147,599
Professional Tax Payble	1,606	1,400
Wages Payble	213,300	987,031
Provision For Listing Fees	3,000,000	50,807
Income Tax Payable	2,164,850	1,370,130
Gst payable	12,066	13,138
Bank interest Payble	149,336	-
TOTAL	5,796,784	2,634,461

Note 17 Revenue From Operations

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Sale Of Products	287,574,593	194,274,523
Other Operating Revenue		
Job Work Income	-	18,372
TOTAL	287,574,593	194,292,895

Note 18 Other Income

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
F.D. Interest	1,656,293	1,649,680
Interest On GEB Deposit	148,879	133,125
Interest On IT Refund	-	-
Interest Rebate On TUFs	2,332,260	1,879,952
Dividend Income	25,905	25,905
Windmill Income	5,461,908	6,560,029
Interest Rebate On TUFs (State Gov.)	-	3,151,252
Other Interest	3,289,547	2,202,020
Discount Received	105,105	30,069
Vat Subsidy Income	-	-

Rate Difference	99,862	-
Insurance Claim	334,971	-
TOTAL	13,454,730	15,632,032

Note 19 Cost Of Material Consumed

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Raw Material		
Opening	4,715,786	4,735,587
Purchase	155,876,682	111,671,743
Closing	4,954,524	4,715,786
Raw Material Consumed	155,637,944	111,691,544
Packing Material		
Opening	102,654	108,500
Purchase	500,029	525,535
Closing	65,423	102,654
Packing Material Consumed	537,260	531,381
Store Spare		
Opening	189,865	415,200
Purchase	3,945,455	1,909,102
Closing	135,423	189,865
Packing Material Consumed	3,999,897	2,134,437
Oil & Chemical		
Opening	85,962	139,700
Purchase	749,544	584,954
Closing	45,987	85,962
Packing Material Consumed	789,519	638,692
Total Consumption	160,964,619	114,996,054

Note 20 Changes In Inventories Of Finish Goods, Work in Progress

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Opening		
Finished Goods	4,563,746	5,661,777
Work in Progress	1,920,398	1,514,980
	6,484,144	7,176,757
Closing		
Finished Goods	2,640,796	4,563,746
Work in Progress	2,057,613	1,920,398
	4,698,409	6,484,144
Increase/Decrease		
Finished Goods	1,922,950	1,098,031
Work in Progress	(137,215)	(405,418)
Changes in Inventory Of Finish Goods , Work in Progress	1,785,735	692,613

Note 21 Employee benefit Expenses

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Salary , Wages & Bonus		
Director Remuneration	4,476,000	4,476,000
Salary , Wages , Bonus & PF	19,938,392	15,544,342
TOTAL	24,414,392	20,020,342

Note 22 Finance Costs

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Interest on Term Loan	5,930,326	9,092,941
Interest on Working Capital	2,598,328	2,653,797
Interest on Car Loan	20,786	115,788
Bank Charges	310,757	327,762
Other Interest	0	556,758
Forward Premium (USD FCDL)	561,242	1,248,588
TOTAL	9,421,439	13,995,633

Note 23 Depreciation and Amortisation Expenses

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Depreciation Tangible Assets	33,016,703	43,459,781
TOTAL	33,016,703	43,459,781

Note 24 Other Expenses

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Manufacturing Service Costs Expenses		
Electric Power & Fuel	21,626,382	17,560,641
Dyeing Job Charges	-	160,847
Electric Expenses	88,940	325,516
Factory Expenses	818,132	577,731
Repairs To Machinery	409,526	238,568
Drawing Charges	64,849	108,492
Wind Mill Expenses	1,711,687	951,099
Knitted Job Charges	-	8,075
Twisting Job Charges	-	50,764
GST Credit Lapse	2,583,021	-
Repairs & Maintenance	504,186	-
Administrative & General Expenses		
Postage	126,680	66,440
Printing & Stationery Expenses	113,045	192,647
Travelling Expenses	946,109	200,460
Telephone Expenses	31,973	43,915

Office Expenses	362,527	140,232
Vehicle Expenses	1,104,108	657,084
Computer Expenses	13,718	19,706
Insurance Premium	526,950	399,949
Fees and Subscription	27,157	251,310
Security Charges	493,200	419,300
Garden Expenses	7,870	3,310
Rent Expenses	132,000	132,000
Legal & Professional Charges	142,798	425,892
Registration Charges	7,800	5,000
Listing Fees	3,300,000	1,186,335
Agency Charges	-	7,708
Annual Maintenance Expenses	179,375	261,028
Clearing & Forwarding	30,439	78,542
Income Tax	-	1,105,299
SMC / Gram Tax	2,400	93,400
Security Transaction Tax	-	37,000
Stamp Duty Expenses	-	1,950
TDS Interest	662	592
Software Development Expenses	100,000	351,000
Vat Interest / Penalty	-	-
Loss on Foreign Exchange	-	-
Transmission Charges	-	-
Donation	1,501	-
Professional Tax	-	-
Loss on Sale Of Motor Car	-	-
Audit Fees	206,000	-
Carbon Credit Expense	1,802	-
Consulting Charges	151,381	-
Conveyance Expense	86,195	-
GST Late Fees / Penalty	8,600	-
Mangrol Taluka Ind. Welfare Association	-	-
Selling Distribution Expenses		
Brokerage	2,682,804	1,947,389
Advertisement Expenses	118,400	20,160
Bad Debts	-	101,280
Transportation Charges	1,628,389	1,356,393
Comp. Again Defective Goods	105,007	242,288
Sales Promotion	3,482	59,200
Vat / Sales Tax / Entry Tax	-	-
TOTAL	40,449,093	29,788,541

Note 25 Current Tax

Particulars	As at 31 st March, 2020 (Amount in "Rs.")	As at 31 st March, 2019 (Amount in "Rs.")
Income Tax Previous Year (A.Y. 2018-19)	-3,719	1,105,299
Income Tax Current Year (A.Y. 2019-20)	8,170,216	2,623,239
TOTAL	8,166,497	3,728,538

For Detail Current Tax Refer Note No. 29

26. Earnings Per Share

Particulars	31 st March, 2020	31 st March, 2019
Net Profit/(Loss) after tax for the year	28038425	(67,68,773)
Weighted number of ordinary shares for basic EPS	34,37,400	34,37,400
Nominal Value of Ordinary Share	10	10
Basic and Diluted Earning for Ordinary Shares	8.16	(1.97)

27. Segment Reporting

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

28. Related Party Transactions

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

Transaction taken place during the year with related parties

Particulars	As at 31.03.2020 (Amt. in Rs.)	As at 31.03.2019 (Amt. in Rs.)
Ravjibhai P. Patel - Remuneration Payments	24,00,000	24,00,000
Bipinbhai J. Patel - Remuneration Payments	20,76,000	20,76,000
Surbhi Textile Mills Pvt ltd. - Rent Payments	1,32,000	1,32,000

29. Income Tax Expenses

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

Particulars	31 st March,2020 (Amt. in Rs.)	31 st March,2019 (Amt. in Rs.)
Accounting Profit Before Tax From Continuing Operations	3,09,77,342.00	(1,30,28,037.00)
Profit/(Loss) Before Tax From a Discontinued Operation	-	-
Accounting Profit Before Income Tax	3,09,77,342.00	(1,30,28,037.00)
At India's Statutory Income Tax Rate of	-	-

25.75% (31st March, 2017 - 29.87%)		
Exempt Income U/s 80IA	0.00	56,30,935
Non Deductible Expenses for Tax Purpose	3,30,27,466	4,45,65,080
Deductible Expenses for Tax Purpose	1,64,30,806	1,93,04,993
Profit for Tax computation	4,75,44,000	66,27,020
Book Profit for MAT*	4,75,63,184	1,22,57,955
At Effective Income Tax Rate of 18.5%	1,32,35,087	25,23,522
Income Tax Expense Reported in the Statement of Profit and Loss	81,70,216	26,23,239
Interest on Income Tax	2,41,484	99713
Total Income Tax	81,70,216	26,23,239

*As profit for tax calculation under regular tax regime is Nil/less than book profit under section 115JB, the company is required to pay MAT on book profit calculated as above.

Deferred Tax Asset/Liabilities

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

Significant Components of (DTA)/DTL as at 31.03.2019

Particulars	Carrying Value (Amt. in Rs.)	Tax Base (Amt. in Rs.)	Difference (Amt. in Rs.)	(DTA)/DTL (Amt. in Rs.)
Property, Plant & Equipment	12,10,75,071	11,38,91,946	71,83,125	(47,18,979)
Investment	-	-	-	-
Opening Balance of DTA/DTL				41,63,524
Net DTL/(DTA) to be Created				(88,82,503)

Significant Components of (DTA)/DTL as at 31.03.2020

Particulars	Carrying Value (Amt. in Rs.)	Tax Base (Amt. in Rs.)	Difference (Amt. in Rs.)	(DTA)/DTL (Amt. in Rs.)
Property, Plant & Equipment	8,84,25,913	9,77,87,531	(93,61,618)	(99,50,279)
Investment	-	-	-	-
Opening Balance of DTA/DTL				(47,18,979)
Net DTL/(DTA) to be Created				52,31,299

30. Financial Instruments

Financial risk management objective and policies

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

I. Financial assets and liabilities as at

(Amount in Rs.)

Particulars	31 st March, 2020				
	FVTPL	FVTOIC	Amortized Cost	Carrying Value	Fair Value
Financial Assets					
Cash & Cash Equivalents	-	-	7,37,158	7,37,158	7,37,158
Loans-Non Current	-	-	28,53,335	28,53,335	28,53,335
Loans-Current	-	-	-	-	-
Other Current Assets	-	-	3,07,08,916	3,07,08,916	3,07,08,916
Trade Receivables-Current	-	-	7,19,07,009	7,19,07,009	7,19,07,009
Trade Receivable-Non Current	-	-	-	-	-
Investment-Non Current	-	21,73,700	-	21,73,700	21,73,700
Total		21,73,000	10,62,06,418	10,83,80,118	10,83,80,118
Financial Liabilities					
Trade Payables	-	-	74,90,096	74,90,096	74,90,096
Other Current Liabilities	-	-	2,34,96,000	2,34,96,000	2,34,96,000
Loans-Non Current	-	-	1,62,00,000	1,62,00,000	1,62,00,000
Loans-Current	-	-	-	-	-
			4,71,86,096	4,71,86,096	4,71,86,096

(Amount in Rs.)

Particulars	31 st March, 2019				
	FVTPL	FVTOIC	Amortized Cost	Carrying Value	Fair Value
Financial Assets					
Cash & Cash Equivalents	-	-	2,99,856	2,99,856	2,99,856
Loans-Non Current	-	-	-	-	-
Loans-Current	-	-	26,04,676	26,04,676	26,04,676
Other Current Assets	-	-	-	-	-
Trade					

Receivables- Current	-	-	3,67,23,588	3,67,23,588	3,67,23,588
Trade Receivables- Non Current	-	-	4,67,32,804	4,67,32,804	4,67,32,804
Investment-Non Current	-	-			
Total	-	-			
Financial		-	-		
Liabilities	-	21,73,700	-	21,73,700	21,73,700
Trade Payables					
Other Current Liabilities		21,73,000	8,63,60,924	8,85,34,624	8,85,34,624
Trade Payable			77,55,263	77,55,263	77,55,263
Other Current Liabilities			2,34,96,000	2,34,96,000	2,34,96,000
Loans-Non Current	-	-	4,22,80,404	4,22,80,404	4,22,80,404
Current	-	-	7,35,31,667	7,35,31,667	7,35,31,667

Fair Value Hierarchy

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

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

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

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

Financial Instruments	Level 1	Level 2	Level 3
As at 31st March, 2020			
Financial Assets			
Investment in Unquoted Shares	21,73,700	-	-
As at 31st March, 2019			
Financial Assets			
Investment in Unquoted Shares	21,73,700	-	-

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

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

- **Non-Current Borrowings:** The amount is borrowed for construction of real estate project and the interest of same is capitalized to the project cost, whereas cost of availing loan is apportioned to over a period of loan, thus same is reduced from the value of loan.

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

34. Critical Estimates and Judgments in applying Accounting Policies:

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

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

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

ii) Impairment of Non-Financial Assets

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

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

iii) Provisions and Contingencies

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

iv) Taxes

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

31. Capital Management

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

Particulars	31st March, 2020	31st March, 2019
Share Capital	3,43,74,000	3,43,74,000
Free Reserves	10,80,46,346	8,00,42,003
Equity (A)	14,24,20,346	11,44,16,003
Cash & Cash Equivalents	7,37,158	2,99,856
Short Term Investments	-	-
Total Cash (B)	7,37,158	2,99,856
Short Term Borrowings	1,75,29,848	3,21,72,644

Long Term Borrowings	1,62,00,000	4,22,80,404
Total Debt (C)	3,37,29,848	7,44,53,048
Net Debt (D)= C-B	3,29,92,690	7,41,53,192
Net Debt to Equity Ratio (E)= D/A	0.2317 3,43,74,000	0.6481 3,43,74,000

For, Vikrant B.Ghael & Co.
Chartered Accountants
FRN: 0122734W

For and on behalf of Board of Directors
Surbhi Industries Limited

Sd/-

Vikrant Bipinchandra Ghael
Proprietor
M.No.: 112324

Date: 16th June, 2020
Place: Surat

Sd/-

Ravjibhai P. Patel
Director
DIN: 00023332

Date: 16th June, 2020
Place: Surat

Sd/-

Bipinbhai J. Patel
Director
DIN: 00023447

