Surbhi Industries Limited
Regd. Office 'Surbhi House',
F. P. No. 206, 2nd Floor,
B/h. Old Sub Jail,
Khatodara, Ring Road,
Surat - 395002 Gujarat, India.
GSTIN : 24 AADCS 4385 E 1ZF
PAN No. : AADCS 4385 E

Date: 12.05.2022

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

Sub. -: Outcome of Board Meeting

Ref. -: Scrip Code - 514260

Dear Sir / Madam,

The Board of Directors at their Meeting held on May 12, 2022, has approved the Audited financial results for the quarter ended 31st March 2022. As per Regulation 33 of Listing Regulations, the Financial Results, statement of Assets & Liabilities and Audited Report with Declaration for Non-Applicability of Statement of Impact of Audit Qualification are enclosed herewith for your records.

Kindly take the same on your records and acknowledge the receipt.

Thanking you,
Yours faithfully,

For, Surbhi Industries Limited

SURBHI INDUSTRIES LTD. SURAT

Ravjibhai P. Patel
Managing Director
DIN: 00023332

Encl: As above

SURBHI INDUSTRIES LIMITED

FY 2021-22

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, 2022, 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

GHALCHOR & COMPANY * CHARTERED ACCOUNTANTS * FRN: 153978W SURAT 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, 2022f, 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, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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:

GHAEL CHOKSI & COMPANY * CHARTERED ACCOUNTANTS * FRN: 153978W SURAT

i. The Company does not have any pending litigation which would impact its financial position.

ii. 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;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

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

GHAEL CHOKSI & COMPANY * CHARTERED ACCOUNTANTS * FRN: 153978W SURAT

Vikrant Bipinchandra Ghael
Partner
M.No. 112324

Date: 12th May 2022
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, 2022 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.

GHAEL CHOKSI & COMPANY
FRN: 153978W
SURAT
CHARTERED ACCOUNTANTS

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 Ghael Choksi & Co.
Chartered Accountants
FRN. 0153978W

GHAEL CHOKSI & COMPANY * CHARTERED ACCOUNTANTS * FRN: 0153978W SURAT

Vikrant Bipinchandra Ghael
Partner
M.No. 112324

Date: 12th May 2022
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, 2022 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.

GHAEL CHOKSI & COMPANY
FRN: 153978W
SURAT
CHARTERED ACCOUNTANTS

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, 2022
, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

GHAEL CHOKSI & COMPANY * CHARTERED ACCOUNTANTS * FRN: 153978W SURAT

Vikrant Bipinchandra Ghael
Partner
M.No. 112324

Date: 12th May 2022
Place: Surat

SURBHI

Surbhi Industries Limited
Regd. Office 'Surbhi House',
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Surat - 395002 Gujarat, India.
GSTIN : 24 AADCS 4385 E 1ZF
PAN No. : AADCS 4385 E

Surbhi Industries Limited
CIN : L17110GJ1992PLC017672
Registered Office: Surbhi House, 2nd Floor, F.P. No. 206, B/h Old Subjail, Ring Road, Khatodara, Surat - 395002, Gujarat, In.

Statement of Standalone Audited Results for the Quarter and year ended 31/03/2022

(Rs. In amount)

	Particulars	Quarter Ended			Year Ended	
		3 months ended 31/03/2022	Preceding 3 months ended 31/12/2021	Corresponding 3 months ended in the previous year 31/03/2021	Year to date figure for current period 31/03/2022	Year to date figure for the previous year ended 31/03/2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	Revenue From Operations	87775679	95627036	79031894	286111032	180327728
II	Other Income	2842107	2405319	2553847	10908707	10157828
III	**Total Income (I+II)**	**90617786**	**98032355**	**81585741**	**297019739**	**190485556**
IV	**Expenses**					
	Cost of Materials Consumed	51436476	46135546	49724001	173977740	87939077
	Purchases of Stock-in-Trade	0	0	0		0
	Changes in inventories of finished goods, Stock-in-Trade and work-in progress	15774931	9975406	-3538033	-9343152	-7211285
	Employee benefits expense	7091307	6678419	8249693	25569713	22185934
	Finance Costs	3409006	3124346	846726	10810621	4798143
	Depreciation and amortisation expenses	9156924	10771347	7363805	37194398	29488574
	Other Expenses	9828473	10007953	10652103	39384128	29696433
	Total Expenses (IV)	**96697118**	**86693017**	**73298295**	**277593449**	**166896876**
V	Profit/(loss) before exceptional items and tax (I-IV)	(6079332)	11339338	8287446	19426290	23588680
VI	Exceptional Items	0	0	0	0	0
VII	Profit/ (loss) before exceptions items and tax(V-VI)	(6079332)	11339338	8287446	19426290	23588680
VIII	**Tax Expense:**					
	(1) Current Tax	0	0	7259558	6928736	7259558
	(2) Deferred Tax	(423602)	0	-12513038	1368915	817416
IX	Profit/(Loss) for the period from continuing operations (VII-VIII)	(5655730)	11339338	13540926	11128639	15511706
X	Profit/(Loss) from discountinued operations	0	0	0	0	0
XI	Tax expenses of discontinued operations	0	0	0	0	0
XII	Profit/(Loss) from discontinued operations (after tax) (X-XI)	0	0	0	0	0
XIII	Profit/(Loss) for the period (IX+XII)	(5655730)	11339338	13540926	11128639	15511706
XIV	Other Comprehensive Income					
	A. (i) Items that will not be reclassified to profit or loss	0	0	0	0	0
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0	0	-3710	159645	3719
	B. (i) Items that will be reclassified to profit or loss	0	0	0	0	0
	(ii) Income tax relating to items that will be re classified to profit or loss	0	0	0	0	0
XV	Total Comprehensive Income for the period (XIII+XIV) Comprising Profit (Loss) and Other Comprehensive Income for the period)	(5655730)	11339338	13540926	11288284	15515425
XVI	Earnings per equity (for Continuing operation):					
	(1) Basic	(1.65)	3.30	3.94	3.28	4.51
	(2) Diluted	(1.65)	3.30	3.94	3.28	4.51
XVII	Earnings per equity (for discontinued operation)					
	(1) Basic	0.00	0.00	0.00	0.00	0.00
	(2) Diluted	0.00	0.00	0.00	0.00	0.00
XVIII	Earning per equity share (for discontinued & continuing operation)					
	(1) Basic	(1.65)	3.30	3.94	3.28	4.51
	(2) Diluted	(1.65)	3.30	3.94	3.28	4.51

SURBHI INDUSTRIES LTD. SURAT

SURBHI

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Notes:

1) The above results were reviewed by the Audit Committee and thereafter taken on record by the Board in its meeting held on May 12, 2021 and also the Audit was carried out by the Statutory Auditors.
2) Previous year figure have been regrouped wherever necessary.
3) Financial Results for all the periods presented have been prepared in accordance with IND AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time

For Surbhi Industries Limited

SURBHI INDUSTRIES LTD. SURAT

Date : - May 12, 2022
Place : - Surat

Ravjibhai P. Patel
Managing Director
DIN: 00023332

SURBHI INDUSTRIES LTD
CIN: L17110GJ1992PLC017672
Registered Office: "SURBHI HOUSE" 2nd Floor, F.P. No. 206, B/h Old Sub-Jail, Ring Road, Khatodara, Surat Surat GJ 395002

Standalone Statement of Assets and Liabilities

Particulars	As at year ended	As at Previous year ended
	(31/03/2022)	(31/03/2021)
ASSETS		
Non-current assets		
(a) Property, Plant and Equipment	154708062	75991802
(b) Capital work-in-progress		-
(c) Investment Property		-
(d) Goodwill		-
(e) Other Intangible assets		-
(f) Intangible assets under development		-
(g) Biological Assets other than bearer plants		-
(h) Financial Assets		
(i) Investments	2180700	2173700
(ii) Trade receivables		-
(iii) Loans	3432881	3505027
(i) Deferred tax assets (net)	7763946	9132862
(j) Other non-current assets		-
Current assets		
(a) Inventories	27696940	21194454
(b) Financial Assets		
(i) Investments		
(ii) Trade receivables	50732830	52561830
(iii) Cash and cash equivalents	5205993	596,104
(iv) Bank balances other than(iii) above		
(v) Loans		
(vi) Others (to be specified)		
(c) Current Tax Assets (Net)		
(d) Other cufrent assets	91377126	48635332
Total Assets	343,098,478	213,791,110

SURBHI INDUSTRIES LTD. SURAT

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GSTIN : 24 AADCS 4385 E 1ZF
PAN No. : AADCS 4385 E

Particulars	As at year ended	As at Previous year ended
	(31/03/2022)	(31/03/2021)
EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share capital	**34,374,000**	**34,374,000**
(b) Other Equity	135,817,384	124,529,101
LIABILITIES		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	115999162	6633444
(ii) Trade payables		
(iii)Other financial liabilities (other than those specified in item (b), to be specified)		
(b) Provisions	1,937,000	1,937,000
(c) Deferred tax liabilities (Net)		
(d) Other non-current liabilities		
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	19,619,212	12,158,637
(ii) Trade payables	6753516	8846580
(iii) Other financial liabilities (other than those specified in item (c)		
(b) Other current liabilities	25704000	23496000
(c) Provisions	2894205	1816348
(d) Current Tax Liabilities (Net)		
Total Equity and Liabilities	**343,098,478**	**213,791,110**

For SURBHI INDUSTRIES LTD

SURBHI INDUSTRIES LTD. SURAT

Date : - 12-May-22
Place : - Surat

RAVJIBHAI PARBATBHAI PATEL
MANAGING DIRECTOR
DIN: 00023332

SURBHI

Surbhi Industries Limited
Regd. Office 'Surbhi House',
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M/S. SURBHI INDUSTRIES LTD.

Cash Flow Statement for the year ended on 31.03.2022

	FY 2021-22		FY 2020-21	
A. Cash Flow from Operating Activities				
Net Profit Befor Tax	**19426290**		**23588681**	
Adjustments For :				
Add: Deprecition	37194398		29488574	
Financial Charges	10810621		4798143	
	48005019		**34286717**	
Less: Investment Income	1764400		2034064	
Profit on sale of Fixed Assets	0			
	1764400		**2034064**	
Operating Profit before Working Capital Changes		**65666909**		**55841334**
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	0		-1786000	
Increase in Short Term Provisions	1077857		-3980436	
Increase in Other Cuirrent Liabilities	2208000			
Increase in Trade Payables	-2093064		1356484	
	1192793		**-4409952**	
Cash Outflow				
Decrease in Trade Payables	0		-	
Decrease in Short Term Provisions	0			
Decrease in Other Cuirrent Liabilities	0			
Increase in Trade & Other Receivable	-1829000		-19345179	
Increase in Loans & Advances	-72146		651692	
Increase in Other Current Assets	42741794		17926416	
Increase in Inventory	6502486		11294688	
	47343134		**10527617**	
Net Cash Inlow(outflow) for working Capital		**-46150342**		**-14937569**
Cash From Operations				
Less: Direct Taxes Paid		**-6769091**		**-7259558**
Net Cash Flow from Operating Activities		**12747477**		**33644207**
B. Cash Flow from Investing Activities				
Cash Inflow				
Decrease in FD	0			
Investment Income	1764400		2034064	
Decrease in Long Term Loans and Advances	0		0	
Sale of Fixed Assets	0		1293000	
Subsidy Received	0		0	
	1764400		**3327064**	
Cash Outflow				
Purchase of Fixed Assets	115910656		17376416	
Increase Investments	7000		0	
Increase FD	0		0	
Increase in other Non Current Assets	0		0	
	115917656		**17376416**	
Net Cash Inflow(Outflow) in Investing Activities		**-114153256**		**-14049352**

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GSTIN : 24 AADCS 4385 E 1ZF
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M/S. SURBHI INDUSTRIES LTD.				
Cash Flow Statement for the year ended on 31.03.2022				
	FY 2021-22		**FY 2020-21**	
C. Cash Flow from financing Activitie				
Cash Inflow				
Increase in working Capital Loans	7460574		-5371211	
Increase in Term Loan(Net)	109365718		-9566556	
Increase in share capital				
	116826292		**-14937767**	
Cash Outflow				
Financial Charges	10810621		4798143	
Repayment of Termloans	0		0	
Repayment of Deposits			0	
Decrease in short term borrowing			0	
	10810621		**4798143**	
Net Cash Inflow(Outflow) in Financing Activities		**106015671**		**-19735910**
Net Cash Flow		**4609890**		**-141055**
Net Cash Changes				
Cash and Bank as on 1st April	596104		737158	
Cash and Bank as on 31st Mar	5205993	**-4609890**	596104	**141055**

For Surbhi Industries Limited

SURBHI INDUSTRIES LTD. SURAT

Date : - May 12, 2022
Place : - Surat

Ravjibhai P. Patel
Managing Director
DIN: 00023332

SURBHI INDUSTRIES LIMITED
Notes to the Ind AS Financial Statements for the year ended 31st March, 2022
(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.

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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) <u>Financial Instruments</u>

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.

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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 realisable 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.

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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".

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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.

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Surbhi Industries Limited
Regd. Office 'Surbhi House',
F. P. No. 206, 2nd Floor,
B/h. Old Sub Jail,
Khatodara, Ring Road,
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GSTIN : 24 AADCS 4385 E 1ZF
PAN No. : AADCS 4385 E

Date: 12.05.2022

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

Sub. -: Declaration for Non-Applicability of Statement of Impact of Audit Qualification

Ref. -: Scrip Code - 514260

Dear Sir / Madam,

Pursuant to Regulation 33(3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Statutory Auditors of the Company have issued Auditors report with Unmodified opinion on Standalone Audited Financial Results for the Financial year ended 31st March, 2022 approved at the Board Meeting held today i.e. 12th May, 2022.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Surbhi Industries Limited

SURBHI INDUSTRIES LTD. SURAT

Ravjibhai P. Patel
Managing Director
DIN: 00023332

Encl: As above

Ghael Choksi & Company
Chartered Accountants
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9558805073, 7041805073, 9227174047, 8401805073
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To
Board of Directors of
Surbhi Industries Limited
Surat.

We have audited the quarterly financial results of **Surbhi Industries Limited** for the quarter ended **31.03.2022** and the year to date results for the period **01.04.2021 to 31.03.2022** attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 (Ind AS 34)for Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India2, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) Give a true and fair view of the net profit/ loss [2] and other financial information for the quarter ended **31.03.2022** as well as the year to date results for the period from **01.04.2021 to 31.03.2022.**

For Ghael Choksi & Co.
Chartered Accountants

CHOKSI & COMPANY * CHARTERED ACCOUNTANTS * FRN: 153978W SURAT

CA Vikrant B. Ghael
(Partner)
M. NO. : 112324
FRN : 0153978W

Place: Surat
Date: 12.05.2022