



**SURABHI
CHEMICALS AND INVESTMENTS
LIMITED**

**ANNUAL REPORT
2013-14**

SURABHI CHEMICALS AND INVESTMENTS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Suresh Kumar Agarwal
Ms. Bina Agarwal
Ms. Neha Agarwal
Mr. Devi Lal Saini

COMPANY SECRETARY

Ms. Leena Kumawat

AUDITORS

M/s. Ramanand & Associates
Chartered Accountants
6/C, Ground Floor, Ostwal Park Bldg.No.4
Opp. Jesal Park Jain Temple
Bhayandar (East)
Dist.Thane - 401 105
Maharashtra

BANKERS

HDFC Bank

REGISTERED OFFICE

LG-24, Silver Plaza Complex,
Opp. Rupali Cinema,
Palanpur Patia, Rander Road,
Surat – 395005, Gujarat.
0261-6061222

Website: www.scil.net.in

Email: info@scil.net.in

29TH ANNUAL GENERAL MEETING

DATE & TIME

Thursday, 25th September 2014, at 01:00 P.M.

VENUE

Lords Plaza, Delhi Gate, Ring Road,
Surat-395003, Gujarat.

BOOK CLOSURE

20th September, 2014 to 25th September, 2014
(Both days inclusive)

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Maheshwari Datamatics Pvt. Ltd.
6, Mangoe Lane,
2nd Floor, Kolkata - 700001
West Bengal
Ph:-033 2243 5809 / 5029
Fax: 033 2248 4787
Email : mdpl@cal.vsnl.net.in,
mdpldc@yahoo.com

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DIRECTORS' REPORT**To****The Members of Surabhi Chemicals & Investments Ltd.**

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014. The financial Results of the Company are summarized below:

FINANCIAL RESULTS:

PARTICULARS	(Rs in Lakhs)	
	Year ended 2013-2014	Year ended 2012-2013
Total Income	175.82	388.25
Total Expenditure	57.35	271.19
Profit before Taxation	118.47	117.06
Tax Expense	38.44	34.24
Profit for the Period	80.03	82.82

REVIEW OF OPERATIONS

During the year, the India Economy remained disturbed due to global distress and continuous domestic disturbance. The major obstacles were inflation, high fiscal deficit, lack of liquidity, policy uncertainty and currency volatility.

The Company will continue to be responsive to changes in market dynamics and consumer behavior and other key factors influencing the business, and will formulate its strategies accordingly.

DIVIDEND

With a view to conserve resources for future needs and strengthening the financial position of the company, the Directors regret their inability to propose any dividend for the year under review.

SHARE CAPITAL

The shares of the company splitted from face value of Rs.10/- each to face value of Re.1/- each.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and as per the Articles of Association of the Company Ms. Bina Agarwal (DIN: 05124687), Director, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

As per provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under read with Schedule IV to the Companies Act, 2013, Ms. Neha Agarwal (DIN: 06686208) & Mr. Devi Lal Saini (DIN: 06800895), all existing Independent directors of the Company, have been appointed as Independent Directors of the Company and shall hold office from the date of this Annual General Meeting till 31st March, 2019. They shall not, henceforth, be liable to retire by rotation.

Brief resume of the Directors seeking appointment, reappointment as stipulated under Clause 49 of the Listing Agreement, are provided in the Report on Corporate Governance forming part of the Annual Report.

Based on the confirmations received, none of the Directors of the Company are disqualified for appointment under Section 274(1)(g) of the Companies Act, 1956.

COMMITTEES OF DIRECTORS

The Board of Directors has aligned the existing Committees of the Board with the provisions of Companies Act, 2013(Act). The existing Shareholder's / Investor's Grievance and Share Transfer Committee have been renamed as "Stakeholders Relationship and Shareholders Grievance Committee".

The scope of Audit Committee has also been widened so as to bring it in accordance with the requirement of the Section 177 of the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards had been followed and no material departures have been made from the same;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That Directors had prepared the annual accounts for the financial year ended 31st March, 2014, on a 'going concern' basis.

CORPORATE GOVERNANCE

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Certificate from the Statutory Auditors M/s. Ramanand & Associates, Chartered Accountants regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges is annexed to the report.

Your Company has taken adequate steps for strict compliance with the Corporate Governance guidelines, as amended from time to time.

The Company has established a vigil mechanism as required under Section 177 of the Companies Act, 2013 and has framed the "Whistle Blower Policy" for implementation thereof.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of this Annual Report.

AUDITORS

The Statutory Auditors of the Company, M/s. Ramanand & Associates, Chartered Accountants will retire at the ensuing AGM. As recommended by the Audit Committee, the Board has proposed the re-appointment of M/s. Ramanand & Associates, Chartered Accountants as statutory auditors for financial year 2014-15 on such remuneration as decided by the Board of Directors.

The Company has received a certificate from the proposed Auditors to the effect that their appointment, if made, would be in accordance with all the conditions prescribed under the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014. In respect of observations made by the Auditors in their Report, your Directors wish to state that the respective notes to the accounts are self-explanatory and do not call for any further comments.

PUBLIC DEPOSIT

The Company has not accepted any deposits from the public during the year pursuant to the provisions of Section 58A of the Companies Act, 1956.

STOCK EXCHANGE

The Company's Securities are listed at the BSE Limited and the Ahmedabad Stock Exchange Ltd. We have paid the annual listing fee and there are no arrears.

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

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

During the year under review, your Company has neither earned nor spent any foreign exchange.

PARTICULARS OF EMPLOYEES

There was no employee in respect of whom information is required to be given pursuant to the Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.

HUMAN RESOURCES MANAGEMENT

The Company continues to lay emphasis on people, its most valuable resource. In an increasingly competitive market for human resources, it seriously focuses on attracting and retaining the right talent. It provides equal opportunity to employees to deliver results.

APPRECIATION

Your Directors place on record their deep appreciation for the continued, support and co - operation extended to the Company by the Banks, Government departments and other agencies.

Your Directors thanks our esteemed shareholders for your continued support.

Your Directors place on record their appreciation of the dedication and commitment of your Company's employees and look forward to their support in the future as well.

**For and on behalf of the Board
Surabhi Chemicals & Investments Ltd**

**Place: Mumbai
Date: May 30, 2014**

**(Suresh Kumar Agarwal)
Managing Director**

CORPORATE GOVERNANCE REPORT**1. The Company's Philosophy on Code of Corporate Governance**

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and the Ahmedabad Stock Exchange Limited (ASE) and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at SURABHI CHEMICALS & INVESTMENTS LIMITED (SCIL) is as follows:

At SCIL, Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. At SCIL, we consider stakeholders as partners in our success, and we remain committed to maximizing stakeholder value, be it shareholders, employees, suppliers, customers, investors, communities, or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of business. We believe that any business conduct can be ethical only when it rests on the nine core values of Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility, Citizenship and Courage.

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

2. Board of Directors

The Board of Directors as on the date consist of Four Directors out of whom 3 (Three) are Non Executive Directors. The Chairman of the Company is Executive Director. The composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The details of the Board of Directors as on 31.03.2014 are as under:

Name	Category
Mr. Suresh Kumar Agarwal	Chairman and Managing Director
Ms. Bina Agarwal	Non-Executive Director
Ms. Neha Agarwal	Non-Executive Independent Director
Mr. Devi Lal Saini	Non-Executive Independent Director
Mr. Manish Kumar Patni	Managing Director
Mr. Dipan Patel Jesingbhai	Non-Executive Independent Director

Notes: -

Mr. Manish Kumar Patni resigned w.e.f. 18th September, 2013.

Mr. Dipan Patel Jesingbhai resigned w.e.f. 14th February, 2014.

Ms. Neha Agarwal was appointed in the Board w.e.f. 18th September, 2013.

Mr. Devi Lal Saini was appointed in the Board w.e.f. 14th February, 2014.

Number of other companies or committees in which he is a director/chairman

SURABHI CHEMICALS AND INVESTMENTS LIMITED

The following table gives the number of outside directorships and the committee positions held by each of the Directors as on 31.03.2014

Name	No of outside Directorship(s) held in Public Limited and Private Limited Companies		No. of Board Committee position held in other Public Limited Companies	
	Private	Public	Chairman	Member
Mr. Suresh Kumar Agarwal	-	2	-	-
Ms. Bina Agarwal	3	1	-	-
Ms. Neha Agarwal	-	1	1	-
Mr. Devi Lal Saini	-	-	-	-

Notes: -

Ms. Neha Agarwal was appointed in the Board w.e.f. 18th September, 2013.

Mr. Devi Lal Saini was appointed in the Board w.e.f. 14th February, 2014.

3. Board Meetings

The Board held 9(Nine) Meetings during the year 2013-2014 on 13.04.2013, 24.04.2013, 08.05.2013, 30.05.2013, 14.08.2013, 21.08.2013, 18.09.2013, 14.11.2013 and 14.02.2014.

Attendance of Directors at Board Meetings and at the Annual General Meeting

Name of the Directors	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Suresh Kumar Agarwal	9	Yes
Ms. Bina Agarwal	9	Yes
Ms. Neha Agarwal	3	Yes
Mr. Devi Lal Saini	1	No
Mr. Manish Kumar Patni	7	Yes
Mr. Dipan Patel Jesingbhai	9	Yes

Notes: -

Mr. Manish Kumar Patni resigned w.e.f. 18th September, 2013.

Mr. Dipan Patel Jesingbhai resigned w.e.f. 14th February, 2014.

Ms. Neha Agarwal was appointed in the Board w.e.f. 18th September, 2013.

Mr. Devi Lal Saini was appointed in the Board w.e.f. 14th February, 2014.

The Board ensures compliance of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

4. Committees of the Board**(a) Audit Committee****Composition and Attendance**

During the year 2013-2014, 5 (Five) Meetings of the Audit Committee were held on, 30.05.2013, 14.08.2013, 14.11.2013, 14.02.2014 and 27.03.2014.

Name of the Members	Category	Position	No. of Meetings Attended
Mr. Suresh Kumar Agarwal	Managing Director	Member	5
Mr. Dipan Patel Jesingbhai	Non-Executive Independent Director	Chairman	4
Ms. Neha Agarwal	Non-Executive Independent Director	Chairman	3
Mr. Manish Kumar Patni	Managing Director	Member	2
Mr. Devi Lal Saini	Non-Executive Independent Director	Member	1

The Members of the Audit Committee have requisite knowledge in the field of Finance, Accounts and Management. Minutes of each Meeting of Audit Committee are placed and discussed before the Board of Directors.

The representative of Statutory Auditors attended the meetings of Audit Committee.

Notes: -

Mr. Manish Kumar Patni resigned w.e.f. 18th September, 2013.

Mr. Dipan Patel Jesingbhai resigned w.e.f. 14th February, 2014.

Ms. Neha Agarwal was appointed in the Board w.e.f. 18th September, 2013.

Mr. Devi Lal Saini was appointed in the Board w.e.f. 14th February, 2014.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

Powers of the Audit Committee:

- Investigate any activity within its terms of reference.
- To seek any information it requires from any employee.
- Obtain legal or other independent professional advice.
- To secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

Role of the Audit Committee:

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial is correct, sufficient and credible;
- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

- (c) Reviewing, with the management, the financial statements before submission to the Board, focusing primarily on:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on exercise of judgement by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
- (d) Reviewing, with the management, the quarterly financial statements before submission on the board for approval.
- (e) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- (f) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (h) Discussion with internal auditors any significant findings and follow up there on.
- (i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (j) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (k) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- (l) To review the functioning of the Whistle Blower mechanism.
- (m) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- (n) Carrying out any other functions as mentioned in the terms of reference of the Audit Committee.

(b) Remuneration Committee

The Company has not formed a remuneration committee which is a part of non-mandatory code. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practices and the requirements of law. The Company does not have any stock option plan or performance linked incentives for its directors. The Company has not paid any remuneration to any of its directors.

5. Stakeholders Relationship and Shareholders Grievance Committee

The 'Stakeholders Relationship Committee' (SR Committee) was constituted by the Board consequent to the dissolution of the 'Shareholders'/Investors' Grievance Committee' (SIG Committee). The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

(a) Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share /debenture certificates
- Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable

(b) Compliance Officer

Ms. Leena Kumawat, Company Secretary, is the Compliance Officer for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

(c) Stakeholders Relationship and Shareholder's Grievance Committee:**Composition of Stakeholders Relationship and Shareholder's Grievance Committee**

Name of the Members	Category	Position
Mr. Suresh Kumar Agarwal	Managing Director	Chairman
Ms. Neha Agarwal	Non-Executive Independent Director	Member
Mr. Devi Lal Saini	Non-Executive Independent Director	Member

There are no outstanding complaints and no shares were pending for transfer as on 31st March, 2014.

6. (a) General Body Meetings:

i. The Last three Annual General Meetings were held as per the details given below:

YEAR	DATE	TIME	VENUE
2012-2013	18.09.2013	11:00 A.M.	Lords Plaza, Delhi Gate, Ring Road, Surat-395003, Gujarat.
2011-2012	17.09.2012	11:00 A.M.	13-A/266, Ami Bunglow, Umra Police Lane, Athwalines, Surat- 395007, Gujarat.
2010-2011	30.09.2011	11:00 A.M.	13-A/266, Ami Bunglow, Umra Police Lane, Athwalines, Surat- 395007, Gujarat.

ii. There was no Extra Ordinary General Meeting held during the financial year 2013-2014

(b) Postal Ballot

During the year ended 31st March, 2014, no resolution was passed by the Company's shareholders requiring voting by postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

7. Disclosures**(a) Disclosure on materially significant related party transactions, pecuniary or business relationship with the Company**

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company or its associates, with any of its directors or their relatives during the year 2013-14.

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matters related to Capital Market:

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets during the last 3 years.

(c) Whistle Blower Policy:

The Company has formulated a policy known as 'Whistle Blower Policy' to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

The Company further undertakes that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct/malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices.

(d) Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of Clause 49:

The Company has complied with the mandatory requirements and is in process of adopting non-mandatory requirements of Clause 49, wherever feasible.

(e) Risk Management:

The Executive Management controls risk through means of a properly defined framework.

(f) Code of Conduct:

The Board of Directors of your Company has laid down the Code of Conduct for all Board Members and Senior Management of the Company, which delineates the principles governing the conduct of employees including Directors, with all the stakeholders of the Company. The code covers transparency, legal compliances, concern of occupational health, safety and environment, a gender friendly work place and philosophy of leading by personal examples.

All Board Members and Senior Management of your Company ensure the compliances with these principles. The Board is responsible for ensuring that these principles are communicated to, understood and observed by all employees. Compliance of the code is subject to the review by the Board supported by the Audit Committee of the Board.

(g) CEO/CFO Certification

A certificate from the Managing Director on the Financial Statements of the Company was placed before the Board.

(h) Meaning of Communication

- I. Quarterly results are published in leading newspapers like The Financial Express all India and Gujarat Edition.
- II. The Company has its own website www.scil.net.in and all vital information relating to the company and its performance including financial results are posted on the website.
- III. Management Discussion and Analysis Report forms part of the Director's Report.

8. General Shareholder Information**a) Date, Time and Venue of Annual General Meeting:**

The Company will hold its Twenty-Ninth Annual General Meeting on Thursday, September 25, 2014 at 01:00 P.M. at Lords Plaza, Delhi Gate, Ring Road, Surat- 395003, Gujarat.

b) Financial Calendar (tentative and subject to change)

The Company expects to announce the quarterly results for the year 2014-2015, as per the following schedule:

Financial Reporting for the quarter ending June 30, 2014	Within 45 days from the end of the quarter ending June 30, 2014.
Financial Reporting for the quarter ending September 30, 2014	Within 45 days from the end of the quarter ending September 30, 2014.
Financial Reporting for the quarter ending December 31, 2014	Within 45 days from the end of the quarter ending December 31, 2014.
Financial Reporting for the quarter ending March 31, 2015	Within 60 days from the end of the quarter ending March 31, 2015.

c) Date of Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Saturday, September 20, 2014 to Thursday, September 25, 2014 (both days inclusive).

d) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2013-2014.

e) Company Registration Details

The Company is registered in the State of Gujarat, India. The Corporate Identification No. (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is CIN: L99999GJ1985PLC013256

f) Listing on Stock Exchanges

The Company's Shares are listed on BSE Limited (BSE) and The Ahmedabad Stock Exchange Ltd. The requisite listing fees for 2014-15 has been paid in full to the exchanges.

g) Stock Code

BSE: 512311

ASE: 58200

ISIN: INE401F01037

h) Stock Market Data

Market Price Data- Monthly high/low of Company's Equity shares during the financial year 2013 2014 on the BSE along with performance in comparison to BSE Sensex is given as under:

MONTH	SURABHI CHEMICALS AND INVESTMENTS LTD. on BSE		BSE Sensex	
	High (Rs)	Low (Rs)	High	Low
April, 2013	59.35	6.00	19622.68	18144.22
May, 2013	10.99	7.34	20443.62	19451.26
June, 2013	16.20	11.20	19860.19	18467.16
July, 2013	24.80	16.50	20351.06	19126.82
August, 2013	36.20	25.25	19569.20	17448.71
September, 2013	51.25	36.90	20739.69	18166.17
October, 2013	58.85	52.05	21205.44	19264.72
November, 2013	61.50	57.00	21321.53	20137.67
December, 2013	61.15	56.10	21483.74	20568.70
January, 2014	87.70	57.50	21409.66	20343.78
February, 2014	80.95	73.10	21140.51	19963.12
March, 2014	89.00	76.20	22467.21	20920.98

i) Registrar and Transfer Agents for shares held in Physical as well as Depository mode:

M/s. Maheshwari Datamatics Pvt Ltd
 6, Mangoe Lane, 2nd Floor
 Kolkata - 700001
 West Bengal
 Ph: 91-33- 22435029/5809
 Fax : 91-33- 22484787
 Email: mdpl@cal.vsnl.net.in, mdpldc@yahoo.com

j) Share Transfer System

The Board has delegated the power of share transfer to Stakeholders Relationship and Shareholder's Grievance Committee. The Committee holds meeting at regular intervals to consider all matters concerning transfer and transmission of Shares.

k) Distribution and Shareholding Pattern

Distribution of shareholding of the Company as on March 31, 2014:

Range of Equity Shares	No of Shareholders	% of total holders	No. of Shares	% to Total
Up to 500	36	5.2632	4018	0.0019
501- 1000	3	0.4386	3000	0.0014
1001- 2000	6	0.8772	9930	0.0046
2001- 3000	2	0.2924	5500	0.0025
3001-4000	1	0.1462	3500	0.0016
4001-5000	10	1.4620	48506	0.0224
5001-10000	39	5.7018	309234	0.1430
10001 and Above	587	85.8187	215926312	99.8226
Total	684	100.00	21,631,0000	100.00

SURABHI CHEMICALS AND INVESTMENTS LIMITED**l) Shareholding Pattern of the Company as on March 31, 2014:**

Category	No. of Shares held	Percentage of Holding
A Promoter and Promoter Group		
1. Indian Promoters		
i. Bodies Corporate	4,32,750	0.20
ii. Individual	50,00,000	2.31
2. Foreign Promoters		
Sub Total	54,32,750	2.51
B Public Shareholding		
1. <u>Institutional Investors</u>		
- Mutual Funds & UTI		
- Banks, Financial Institutions, Insurance Companies		
- Central Government/State Government(s)		
- Foreign Institutional Investors		
2. <u>Non-Institutional Investors</u>		
- Bodies Corporate	65793994	30.42
- Individuals/ HUFs	144283331	66.70
- Any Others	799925	0.37
Sub Total	210877250	97.49
Total	216310000	100.00

m) Dematerialization of Securities

The Company's Shares are available for trading in the Depository System at Central Depository Services (India) Limited (CDSL) and National Depository Services Limited (NSDL). The International Security Identification Number (ISIN) allotted to SURABHI CHEMICALS & INVESTMENTS LIMITED is INE401F01037. The market lot is one share. As on 31st March 2014 96.34% of the total equity share capital was held in dematerialized form.

n) PAN Requirement

SEBI had vide its circulation no. MRD/DOP/Cir – 05/2009 dated 20-05-2009 made the requirement of PAN Card of all Transferee(s) compulsory in case of all Physical Transfer of Shares.

o) Outstanding GDRs/ADRs/Warrants or any other Convertible Instrument

Company has not issued any GDRs/ ADRs/ Warrants or any other convertible instruments or any issue (public issue, right issue, preferential issue etc.) which likely to have impact on Equity Share Capital of the Company.

p) Plant Location

The Company does not have any manufacturing plants

q) Address for Correspondence

For any assistance, queries, regarding transfer or transmission of shares, dematerialization, non receipt of dividend, on shares, non receipt of share application money, non credit of shares in demat account and any other queries relating to the shares of the Company and Annual Report, the investors may please write to the following :

(i) Registered Office:

LG-24, Silver Plaza Complex,
Opp. Rupali Cinema Palanpur Patia,
Rander Road,
Surat - 395005, Gujarat
Email: info@scil.net.in

(ii) M/s. Maheshwari Datamatics Pvt Ltd

6, Mangoe Lane, 2nd Floor,
Kolkata - 700001. West Bengal
Ph: 91-33- 22435029/5809
Fax: 91-33- 22484787
Email: mdpl@cal.vsnl.net.in, mdpldc@yahoo.com

CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

I, Suresh Kumar Agarwal, Managing Director of SURABHI CHEMICALS & INVESTMENTS LTD, to the best of my knowledge and belief, certify that:

- a) I have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and to the best of my 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 the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the auditors and the Audit committee
 - i. Significant changes in internal control during the year, if any.
 - ii. Significant changes in accounting policies during the year, if any, have been disclosed in the notes to the financial statements; and
 - iii. There were no instances of significant fraud of which I 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.

For SURABHI CHEMICALS & INVESTMENTS LTD

Place: Mumbai
Date: May 30, 2014

(Suresh Kumar Agarwal)
Managing Director

COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANEGEMENT

Pursuant to the Clause 49 of the Listing Agreement entered into with the stock exchange, we hereby declare that all the Board members and senior management personnel of the Company have affirmed compliance with the code of conduct for the year ended March 31, 2014.

For SURABHI CHEMICALS & INVESTMENTS LTD

Place: Mumbai
Date: May 30, 2014

(Suresh Kumar Agarwal)
Managing Director

AUDITOR'S CERTIFICATION

To,
The Shareholders of
SURABHI CHEMICALS & INVESTMENTS LTD

We have examined the compliance of conditions of Corporate Governance by SURABHI CHEMICALS & INVESTMENTS LIMITED for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company entered into with the Stock Exchanges in India.

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 of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance stipulated in the above mentioned Listing Agreement.

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

For Ramanand & Associates
Chartered Accountants
FRN: 117776W

CA Ramanand Gupta
Partner
Membership No: 103975

Place: Mumbai
Date: May 30, 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ECONOMIC OVERVIEW**

In the last couple of years, the Indian economy witnessed a slowdown across various sectors, resulting in the GDP growth slipping to 4.7% in 2013 from 9.7% in 2010. Such economic downdraft was largely attributed to slowdown in policy initiatives especially during the run up to the parliamentary elections of 2014. Besides that, high interest regime, enforced to rein in inflation had an impact on slowing down of investments. Last financial year was also marked by a tough period of economic uncertainty, owing to tapering of quantitative easing of liquidity in United States and resultant volatile movements in INR-USD exchange rate.

OUTLOOK

The outlook of the Indian economy largely depends on the outcome of the General Elections. A stable government boost business environment, whereas a fractured or an unstable government may blur the business outlook, hampering the growth prospects of Indian Economy.

OPPORTUNITIES

- Healthy and sustainable economic growth rate with sound macro-economic fundamentals;
- Low penetration of financial services and products in India;
- Favourable demographics like huge middle class, larger younger population with disposable income and investible surplus, change in attitude from wealth protection to wealth creation and risk taking abilities of the youth, etc.;

THREATS

- Increased competition from local and global players operating in India;
- Technology Advancement;
- Regulatory changes impacting the landscape of business;
- Unfavourable economic condition.

BUSINESS OVERVIEW

The year has been good for the company. The company is diversifying into the business of real estate and infrastructure.

We execute transactions with transparency imbibing knowledge keeping our commitment by building partnerships with our clients and that synchronises our work with our core values. Our approach is 'object' oriented and therefore, we work with core purpose of providing solutions.

RISK MANAGEMENT

The objective of risk management is to balance the trade off between risk and return and ensure optimum risk adjusted return on capital. The Risk Management Policies related to Procurement, Debtors, Financing and Investments are in place and properly documented and reviewed continuously. The processes have been laid down to oversee the implementation of the policies and continuous monitoring of the same.

Our Board level Committees viz. Audit Committee oversee risk management policies and procedures. It reviews the credit and operational risks, reviews policies in relation to investment strategy and other risks like interest rate risk, compliance risk and liquidity risk.

HUMAN RESOURCES

Human resource is one of the most important key to the success of any company. Your Company's business critically depends on quality of manpower. The HR function of your Company has been structured and aligned in line with the business needs and requirements. The Company's businesses are managed by a team of competent and passionate leaders, capable of enhancing your Company's standing in the competitive market. The Company's employees have a defining role in significantly accelerating its growth and transformation, thereby enhancing its position as one of the largest corporate houses. The Company has a structured recruitment process; the focus is on recruiting people who have the right mindset for working with us, supported by structured training programmes and internal growth opportunities.

INTERNAL CONTROL SYSTEMS

The Company has a proper and adequate system of internal control commensurate with the size of the Company and the nature of its business to ensure that all its assets are safeguarded and protected and that all the transactions are authorised, recorded and reported correctly and adequately.

The Company's internal controls are supplemented by internal audits, review by management and documented policies, guidelines and procedures. The internal control is designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. All financial and audit control systems are also reviewed by the Audit Committee of the Board of Directors of the Company.

CAUTIONARY STATEMENT

Statements in this Report on Management's Discussion and Analysis describing the Company's objectives, projections, estimates and expectations, may be forward looking statements within the meaning of applicable laws and Regulations. The actual results might differ substantially or materially from those expressed or implied.

The Company cannot guarantee that the assumptions and expectations are accurate or will be realised and hence the actual results, performance or achievements could thus differ materially from those expressed in the statements. The Company assumes no responsibility nor is under any obligation to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or events

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SURABHI CHEMICALS AND INVESTMENTS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of 'SURABHI CHEMICALS AND INVESTMENTS LIMITED' ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the statement of Profit & Loss Account and the Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the accounting Standards notified under the Companies Act, 1956 read with the General Circular 08/2014 dated 04th April 2014, issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the statement of Profit and Loss, of the profit of the Company for the year ended on the date; and
- c) In the case of the Cash Flow statement, of the cash flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
 - c) That Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub section (3c) of section 211 of the Companies, Act 1956 read with the General Circular 08/2014 dated 04th April 2014, issued by the Ministry of Corporate Affairs.
 - e) On the basis of written representation received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1)(g) of the Companies Act, 1956.

For Ramanand & Associates
Chartered Accountants
FRN: 117776W

CA Ramanand Gupta
Partner
Membership No: 103975

Place: Mumbai
Date: May 30, 2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**ANNEXURE TO THE AUDITORS' REPORT (REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF SURABHI CHEMICALS AND INVESTMENTS LIMITED AS AT AND FOR THE YEAR ENDED 31st MARCH, 2014)**

- 1 A The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
B The fixed assets have been physically verified by the Management during the year and no material discrepancies were identified on such verification.
C There was no substantial disposal of Fixed assets during the year.
- 2 In our opinion and according to the information and explanation given to us, since, the company does not hold any inventories, the provisions of clause (2) (i),(ii) and (iii) are not applicable.
- 3 A According to the information and explanations given to us, the company has not granted loans, secured or unsecured to companies firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (a) to (d) of the order are not applicable to the company and hence not commented upon.
B According to the information and explanations given to us, the company has not taken loans, secured or unsecured from companies firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (e) to (g) of the order are not applicable to the company and hence not commented upon.
- 4 In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regards to purchase of inventory and fixed assets and for the sale of inventories. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- 5 A In respect of the contract or arrangements referred to in Section 301 of the Companies Act, 1956, in our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
B In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs 5,00,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
- 6 The Company has not accepted deposits from public within the purview of section 58-A or Section 58-AA of the Companies Act, 1956
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the Services rendered by the company.
- 9 According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted or accrued in the books of accounts in respect of undisputed statutory dues including provident fund, Income Tax, Service Tax and other material

statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities. As explained to us, the company did not have any dues on account of Employees State Insurance, Wealth Tax, Cess and Investor Education and Protection Fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax and material statutory dues in arrears, as at 31st March, 2014 for a period of more than six months from the date on which they become payables due.

- 10 The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and immediately preceding financial year.
- 11 The company did not have outstanding dues in respect of financial institution, bank or debenture holders during the year.
- 12 According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures, and other securities.
- 13 In our opinion, the company is not a chit fund or nidhi/mutual benefit fund/ Society. Accordingly, the provisions of clause 4(xiii) of the order are not applicable to the company and hence not commented upon.
- 14 The Company has is not dealing in shares, securities, debentures and other investments and assuch this clause is not applicable.
- 15 According to the information and explanations given to us, the Company has not given guarantee for loan taken by others from banks or financial institutions.
- 16 The Company did not have any term loans outstanding during the year.
- 17 According to the information and explanations given to us, and on the basis of an Overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
- 18 The company has not made preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The company does not have any outstanding debentures during the year.
- 20 The Company has not raised any money by public issue during the year.
- 21 Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For Ramanand & Associates
Chartered Accountants
FRN : 117776W

CA Ramanand Gupta
Partner
Membership No. 103975

Place : Mumbai
Date : May 30, 2014

SURABHI CHEMICALS AND INVESTMENTS LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2014**

	Note	31st March 2014 (Rs)	31st March 2013 (Rs)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	216,310,000	216,310,000
Reserves and Surplus	4	104,426,119	96,422,955
		<u>320,736,119</u>	<u>312,732,955</u>
Non-Current Liabilities			
Long Term Borrowings	5	-	3,511,111
Deferred Tax Liability		4,763	-
		<u>4,763</u>	<u>3,511,111</u>
Current Liabilities			
Short-Term Borrowings	6	-	40,000
Other Current Liabilities	7	348,603	914,310
Short-Term Provisions	8	5,990,471	4,640,779
		<u>6,339,074</u>	<u>5,595,089</u>
TOTAL		<u>327,079,957</u>	<u>321,839,156</u>
ASSETS			
Non-Current Assets			
Fixed Assets	9	101,354	-
Long Term Loans and Advances	10	322,068,789	313,682,147
		<u>322,170,143</u>	<u>313,682,147</u>
Current assets			
Cash and Cash Balances	11	862,920	3,554,515
Short Term Loans and Advances	12	3,765,775	2,099,672
Other Current Assets	13	281,118	2,502,822
		<u>4,909,813</u>	<u>8,157,009</u>
TOTAL		<u>327,079,957</u>	<u>321,839,156</u>

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

In terms of our Report of even date

For RAMANAND & ASSOCIATES
Chartered Accountants
(FRN No: 117776W)

For and On behalf of the Board of Directors

CA RAMANAND GUPTA
Partner
Membership No: 103975

Suresh Kumar Agarwal
Managing Director

Bina Agarwal
Director

Place : Mumbai
Date : May 30, 2014

Leena Kumawat
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

	Note	31st March 2014 (Rs)	31st March 2013 (Rs)
Income			
Revenue from Operations	14	-	22,224,490
Other Income	15	17,582,184	16,600,515
Total Revenue		17,582,184	38,825,005
Expense			
Operational Expenses	16	-	21,877,551
Employees Benefit Expenses	17	458,000	418,040
Other Expenses	18	5,268,419	4,823,357
Depreciation		8,881	-
Total Expenditure		5,735,300	27,118,948
Profit/(Loss) Before Tax	(I - II)	11,846,884	11,706,057
Tax expense			
Current Tax		3,838,957	3,424,466
Deferred Tax Liability		4,763	-
Profit for the year		8,003,164	8,281,590
Earnings per share (of Re 1/- each)			
Computed on the basis of total profit from continuing operations			
Basic		0.04	0.80
Diluted		0.04	0.80

Summary of Significant Accounting Policies

The accompanying notes are an integral part of the Financial Statements

In terms of our Report of even date

For RAMANAND & ASSOCIATES
Chartered Accountants
(FRN No: 117776W)

For and On behalf of the Board of Directors

CA RAMANAND GUPTA
Partner
Membership No: 103975

Suresh Kumar Agarwal
Managing Director

Bina Agarwal
Director

Place : Mumbai
Date : May 30, 2014

Leena Kumawat
Company Secretary

Cash Flow Statement for the year ended 31st March 2014

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
A Cash Flow from Operating Activities :		
Net Profit before tax, Prior Period and Extraordinary Items :	11,846,884	11,706,057
Adjustments for :		
Depreciation	8,881	-
Dividend Income	-	(1,076,330)
Net Gain / (Loss) on sale of investments	-	(334,010)
Net Gain / (Loss) on sale of fixed assets	-	-
Income Tax Refund	-	(5,346)
Adjustments to the carrying amount of investments	-	-
Depository Charges	111,798	32,585
Listing Fees	90,406	207,866
Registration Expenses	119,551	125,584
Loss on Sale of Mutual Funds	-	108,862
Operating Profit before Changes in Operating Assets	12,177,520	10,765,268
Adjustments for net change in Working Capital :		
Short Term Loans and Advances	85,000	(120,876)
Long Term Loans and Advances	(8,586,898)	(307,771,646)
Other Current Assets	2,221,704	(10,062)
Other Current Liabilities	(668,082)	793,898
Short Term Provisions	24,744	(190,300)
Cash Flow before Prior Period and Extraordinary Items	5,253,988	(296,533,718)
Net Income tax Paid and Refunds	(1,550,848)	(1,957,326)
Net Cash Flow from Operating Activities —————(A)	3,703,140	(298,491,044)
B Cash Flow from Investing Activities :		
Current Investments not considered as Cash & Cash Equivalents		(1,070,258)
Proceeds from sale of Current Investments	-	151,120,067
Proceeds from sale of Long Term Investments	-	396,241
Sale Proceeds of Fixed Assets	-	-
Purchase of Fixed Assets	(110,235)	-
Dividend Income	-	1,076,330
Net Cash Flow from Investing Activities —————(B)	(110,235)	151,522,380

Cash Flow Statement for the year ended 31st March 2014

Particulars	2013-2014 (Rs.)	2012-2013 (Rs.)
C Cash Flow from Financing Activities :		
Repayment of Short Term Borrowings	(40,000)	-
Issue of Share Capital	-	99,000,000
Securities Premium	-	49,500,000
Issue Expenses	-	(1,766,035)
Short Term Borrowings	-	40,000
Dividend Paid	(2,060,725)	-
Tax on Dividend	(350,909)	-
Repayment of Long Term Borrowings	(3,511,111)	-
Listing Fees, Depository Charges, Registration Expenses	(321,755)	-
Net Cash Flow from Financing Activities —————(C)	(6,284,500)	146,773,965
Net Increase in Cash and Cash Equivalents (A) + (B) + (C)	(2,691,595)	(194,699)
Cash & Cash Equivalents at the beginning of the period	3,554,515	3,749,214
Cash & Cash Equivalents at the end of the period	862,920	3,554,515
Cash in Hand	279,920	293,800
Balances with Banks	583,000	3,260,715
Total	862,920	3,554,515

For RAMANAND & ASSOCIATES
Chartered Accountants
(FRN No: 117776W)

For and On behalf of the Board of Directors

CA RAMANAND GUPTA
Partner
Membership No: 103975

Suresh Kumar Agarwal
Managing Director

Bina Agarwal
Director

Place : Mumbai
Date : May 30, 2014

Leena Kumawat
Company Secretary

Notes to Financial Statements:**1. General Information:**

The company is engaged in the activity of investments in shares and securities and commenced the activities of construction and infrastructure in the financial year under review.

2. Significant Accounting Policies:**2.1 Basis of preparation of Financial Statements:**

The Financial Statements have been prepared in accordance with the generally accepted accounting principles ('GAAP') applicable in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C), Companies (Accounting Standard) Rules, 2006, as amended from time to time and the other relevant provisions of the Companies Act, 1956 read with General Circular 8/2014 dated 04th April, 2014 issued by the Ministry of Corporate Affairs.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956.

2.2 Use of Estimates:

The preparation of Financial Statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized. Management believes that the estimates used in preparation of financial statements are prudent and reasonable.

2.3 Cash Flow Statement:

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

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.4 Tangible Assets:

Tangible Assets are stated at cost (or revalued amount as the case may be) less accumulated depreciation and accumulated impairment losses if any. Cost Comprises purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or loss arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on fixed assets is provided on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 over their useful life.

Depreciation of asset sold / discarded during the period is proportionately charged. Individual low cost assets (acquired for less than Rs 5000/-) are depreciated within a year of acquisition. Intangible assets are amortized over their estimated useful life on a straight line basis.

2.5 Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

2.6 Impairment of assets:

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

2.7 Revenue Recognition:

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

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sale price and the carrying value of the investment. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.8 Employee Benefits:

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

2.9 Foreign Exchange Transactions:

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the respective transactions.

Foreign Exchange monetary items in the Balance Sheet are translated at the year-end rates. Exchange differences on settlement / conversion are adjusted to Profit and Loss Account.

2.10 Tax Expense:

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income".

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

Deferred Tax represents the tax effect of timing differences between taxable income and accounting income for the reporting period and is capable of reversal in one or more subsequent periods. Deferred tax are quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet Date.

Deferred Tax Assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax asset on unabsorbed depreciation and carry forward of losses are not recognized unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.11 Contingent Liabilities and Provisions:

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a. Possible obligation which will be confirmed only by future events not wholly within the control of the company or
- b. Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2.12 Earnings per Share:

In determining the Earnings Per share, the company considers the net profit after tax including any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

2.13 Segment Reporting:

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at the agreed transaction value and such transfers are eliminated in the consolidation of the segments.

Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses, which relate to the company as a whole and are not allocable to segments, are included under unallocated corporate expenses.

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Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

3. Share Capital: (Amount in Rs)

Particulars	As on 31-03-2014	As on 31-03-2013
Authorised Capital		
22, 00, 00, 000 Equity Shares of Re. 1/- each (Previous Year: - 2, 20, 00, 000 Nos. Equity Shares of Rs. 10/- each)	<u>22,00,00,000</u>	<u>22,00,00,000</u>
Issued, Subscribed & Paid up Share Capital		
21, 63, 10, 000 Equity Shares of Re. 1/- each Fully Paid up. (Previous Year 2,16,31,000 Equity Shares of Rs. 10/- each)	21,63,10,000	21,63,10,000
Total Rs	<u>21,63,10,000</u>	<u>21,63,10,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As on 31-03-2014	As on 31-03-2013
	Numbers	Numbers
Equity Shares		
At the Beginning of the year	2,16,31,000	11,73,100
Split of shares from Rs.10/- to Re.1/	21,63,10,000	-
Add : Issue of Bonus Shares of Rs. 10 each during the year	-	1,05,57,900
Add : Issue of fresh equity shares of Rs.10 each during the year	-	99,00,000
Outstanding at the end of the year	21,63,10,000	2,16,31,000

b. Details of Shareholders holding more than 5% shares in the company

Particulars	As on 31-03-2014	As on 31-03-2014	As on 31-03-2013	As on 31-03-2013
	Numbers	% of holding	Numbers	% of holding
1 Mr. Nitan Ramprakash Chhatwal	1,35,00,000	6.24%	13,50,000	6.24%

c. The Company issued 1,05,57,900 Shares as bonus shares by way of capitalization of free reserves during the Financial Year 2012-13

d. Out of the above, 1,73,100 Shares were allotted in the last five years pursuant to the schemes of amalgamation without being payments received in cash

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- e. The share of the company splitted from the face value of Rs10 per share to face value of Re. 1/- per share during the financial year.

f. Rights, Preference and restrictions attached to the ordinary shares

The ordinary shares of the company having par value of Re. 1/- per share, rank parri passu in all respects including voting rights and entitlement to Dividend

4. Reserves and Surplus :

	(Amount in Rs)	
Particulars	As on 31-03-2014	As on 31-03-2013
1 Capital Reserve		
Balance at the beginning and at the end of the year	87,67,750	87,67,750
2 Securities Premium Reserve		
Balance at the beginning of the year	4,81,00,000	-
Add: Securities Premium On Shares issued during the year	-	4,95,00,000
Less: Utilised For Writing off Preliminary Expenses	-	14,00,000
Balance at the end of the year	4,81,00,000	4,81,00,000
3 General Reserve		
Balance at the beginning and at the end of the year	1,53,23,877	1,53,23,877
4 Profit & Loss Account		
Balance at the beginning of the year	2,42,31,328	12,40,42,747
Add: Net Profit as per Profit & Loss Account	80,03,164	82,81,590
Less: Bonus shares Issued	-	10,55,79,000
Less: Proposed Dividend	-	21,63,100
Less: Dividend Distribution Tax	-	3,50,909
Balance at the end of the year	3,22,34,492	2,42,31,328
Total Reserves and Surplus	10,44,26,119	9,64,22,955

5. Long Term Borrowings :

	(Amount in Rs)	
Particulars	As on 31-03-2014 Non Current	As on 31-03-2013 Non Current
Unsecured Loans		
Other Loans and Advances	-	35,11,111
Total Long Term Borrowings	-	35,11,111

(Amount in Rs)

Particulars	As on 31-03-2014	As on 31-03-2013
6. Short Term Borrowings :		
Unsecured Short Term Borrowings		
Loans and advances from related parties	-	40,000
Total Short Term Borrowings	<u>-</u>	<u>40,000</u>
7. Other Current Liabilities :		
Audit Fees Payable	66,231	30,000
Unpaid Dividend	1,02,375	-
TDS Payable	93,552	8,49,310
Others Liabilities	86,445	35,000
Total Other Current Liabilities	<u>3,48,603</u>	<u>9,14,310</u>
8. Short Term Provisions :		
Provision for Tax	59,90,471	21,26,770
Provision for proposed equity dividend	-	21,63,100
Provision for tax on proposed dividends	-	3,50,909
Total Short Term Provisions Rs	<u>59,90,471</u>	<u>46,40,779</u>

(Amount in Rs)			
Particulars	Computer	Furniture	Total
9. Fixed Assets			
Gross Block			
As on 01.04.2012	-	-	-
Additions	-	-	-
As on 31.04.2013	-	-	-
Addition During the Year	73,500	36,735	1,10,235
As at 31.03.2014	<u>73,500</u>	<u>36,735</u>	<u>1,10,235</u>
Depreciation			
As on 01.04.2012	-	-	-
For the Year	-	-	-
As on 31.04.2013			
For the Year	7,249	1,632	8,881
As at 31.03.2014	<u>7,249</u>	<u>1,632</u>	<u>8,881</u>
Net Block			
As at 31.03.2014	<u>66,251</u>	<u>35,103</u>	<u>1,01,354</u>
As at 31.03.2013	-	-	-

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(Amount in Rs)

Particulars	As on 31-03-2014	As on 31-03-2013
10. Long Term Loans and Advances :		
Unsecured Considered Good unless otherwise stated		
Capital Advances	17,18,00,000	7,70,00,000
Advance Income Tax	-	2,00,256
MAT Credit Entitlement	57,10,245	57,10,245
Other Loans and advances	14,45,58,544	23,07,71,646
Total Long Term Loans and Advances	<u>32,20,68,789</u>	<u>31,36,82,147</u>
11. Cash and Cash Balances:		
Cash and Cash Balances		
Balances with Banks	5,83,000	32,60,715
Cash on hand	2,79,920	293,800
Total Cash and Cash Balances	<u>8,62,920</u>	<u>35,54,515</u>
12. Short Term Loans and Advances :		
Security Deposits (Unsecured Considered Good)	52,000	1,37,000
Balances with Revenue Authorities	37,13,775	19,62,672
Total Short Term Loans and Advances	<u>37,65,775</u>	<u>20,99,672</u>
13. Other Current Assets :		
Current Assets held for sale	-	24,90,973
Other Advances	2,81,118	11,849
Total Other Current Assets	<u>2,81,118</u>	<u>25,02,822</u>
	For the Year 31-03-2014	For the Year 31-03-2013
14. Revenue from Operations :		
Revenue From Operations		
Operating Revenue	-	2,22,24,490
Total Revenue From Operations	<u>-</u>	<u>2,22,24,490</u>
15. Other Income :		
Interest Income	1,65,62,046	1,51,81,828
Dividend Income from Mutual Funds	-	10,70,261
Dividend Income from Listed Equity Shares	-	6,070
Net gain on Sale of Current Investments	-	19,918
Net gain on Sale of Long Term Investments	-	3,14,092
Net gain on Sale of Fixed Assets	10,20,138	-
Misc Income	-	8,346
Total Other Income	<u>1,75,82,184</u>	<u>1,66,00,515</u>

SURABHI CHEMICALS AND INVESTMENTS LIMITED

(Amount in Rs)

Particulars	For the Year 31-03-2014	For the Year 31-03-2013
16. Operational Expenses :		
Operational Expenses	-	2,18,77,551
Total Operational Expenses	<u>-</u>	<u>2,18,77,551</u>
17. Employee Benefit Expenses :		
Salaries & Wages	4,58,000	4,18,040
Total Employee Cost	<u>4,58,000</u>	<u>4,18,040</u>
18. Other Expenses :		
Advertisement Expenses	62,902	60,948
Listing Expenses	90,406	2,07,866
Loss on sale of Current Investments	-	1,08,862
Miscellaneous expenses	1,59,120	98,082
Auditor's Remuneration	1,16,068	52,472
Printing and stationery	17,325	11,322
Professional and Legal Fees	40,53,762	38,85,723
Bank Charges	-	11,864
Postage and Stamps	-	48,678
Registrar Expenses	1,19,551	1,25,584
Electricity Expenses	5641	-
Interest Expenses	1,40,459	-
Rent	2,05,000	-
Telephone Expenses	10,390	-
Travelling and Conveyance	2,87,795	2,11,956
Total Other Expenses	<u>52,68,419</u>	<u>48,23,357</u>

19. Impairment of Assets :

Assets of the Company are being tested for impairment. Considering the internal and external sources of information, there was no indication of potential impairment loss, and hence estimation of recoverable amount does not arise.

	Year Ending March 31, 2014	Year Ending March 31, 2013
20. Payment to Auditors :		
As Statutory Auditor	56,180	30,000
For Tax Audit	16,854	-
For Other Services	43,034	22,472
Total	<u>1,16,068</u>	<u>52,472</u>

SURABHI CHEMICALS AND INVESTMENTS LIMITED**21. Related Party Transactions :****A. Related parties and their relationship:**

Nature of Relationship	Name of the Related Party
Key Management personnel	Mr. Suresh Kumar Agarwal Ms. Bina Agarwal Ms. Neha Agarwal Mr. Devi Lal Saini Mr. Manish Kumar Patni (Ceased to be related party w.e.f. 18.09.2013)

B. Transactions with Related Parties (other than those advances given for business purposes)

Transaction	Related Party	Year Ending March 31, 2014	Year Ending March 31, 2013
Remuneration	Mr. Manish Kumar Patni *	-	1,75,000
Year End Balances:			
Loan from director	Mr. Manish Kumar Patni	-	40,000

*Ceased to be related party w.e.f. 18.09.2014

22. Earnings Per Share as per Accounting Standard 20 :

Particulars	Year Ending March 31, 2014	Year Ending March 31, 2013
Profit / (Loss) after Tax	80,03,164	82,81,590
Weighted Average number of Equity Shares used as denominator for calculating EPS	21,63,10,000	1,02,94,242
Basic Earnings Per Share of Re.1/- each	Rs. 0.04	Rs. 0.80
Potentially dilutive shares	Nil	Nil
Diluted Earnings per share	Rs. 0.04	Rs. 0.80

23. Contingent Liabilities : Nil (Previous Year Rs. Nil)**24. Previous Year Figures :**

The figures for the previous year have been regrouped, reclassified or rearranged to meet the recognition and measurement principles followed for preparation of financial statements.

For RAMANAND & ASSOCIATES
Chartered Accountants
(FRN No: 117776W)

For and On behalf of the Board of Directors

CA RAMANAND GUPTA
Partner
Membership No: 103975

Suresh Kumar Agarwal
Managing Director

Bina Agarwal
Director

Place : Mumbai
Date : May 30, 2014

Leena Kumawat
Company Secretary