



19th

Annual Report
2012-2013

Upsurge Investment & Finance Limited



Upsurge Investment & Finance Ltd.

BOARD OF DIRECTORS

Shri D.K.Goyal
Shri B.K.Goyal
Shri Hansraj Goyal
Shri Dinesh Vijayvargia

AUDITORS

M/s Bansal Bansal & Co
Chartered Accountants

**REGISTRAR & SHARE
TRANSFER AGENT**

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial premises,
1st floor, M Vasanti Marg, Andheri Kurla Road,
Safed Pool, Andheri (East), Mumbai 400072.
Tel No.: 22641376/22702485 Fax: 22641349

REGISTERED OFFICE

Office No. 303, Morya Landmark-I
Behind Crystal Plaza, New Link Road,
Andheri (West), Mumbai- 400 053
Tel No. : 67425441 Fax: 67425440

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Upsurge Investment & Finance Ltd.

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of “**UPSURGE INVESTMENT & FINANCE LTD.**” will be held at Country Club, 723/A, Prathmesh Complex, Veera Desai Road Extn., Andheri (West), Mumbai- 400 053 on 30th September 2013 at 4.00 P.M. to transact the following Business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Statement of Profit & Loss Account for the year ended on that date and the reports of the Directors' and Auditors thereon.
2. To appoint a director in place of Mr. B.K. Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and to fix their remuneration and for this purpose to consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution

“RESOLVED THAT pursuant to section 224 of the Companies Act, 1956, M/s Bansal Bansal & Co., Chartered Accountants, Mumbai having registration number as 100986W be and are hereby re-appointed as Auditors of the Company to hold office till conclusion of the next Annual General Meeting at remuneration to be decided by the Board of Directors in consultation with them.”

NOTES:

1. *A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.*
2. The register of members and the share transfer books will remain closed from Wednesday 25th September 2013 to Monday 30th September 2013 (Both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.
3. Members are requested to
 - a) bring their Annual Report to the meeting and attendance slip duly filled in. As a measure of economy copies of Annual Report will not be distributed at the Annual General Meeting.
 - b) intimate any change in their addresses to the Registrar and Share Transfer Agents M/s Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial premises, 1st floor, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072.
 - c) quote client ID and DP ID Numbers in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form.
4. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.



Upsurge Investment & Finance Ltd.

5. Profiles of Directors being Re-appointed as required by clause 49 IV (G) of the Listing Agreement with the Stock Exchanges

Item No. 2 of the Notice

Mr. B.K. Goyal aged about 47 years, having more than 26 years of experience in Pharmaceutical & Finance business. He has good control over finance, marketing, administration and management.

He has been a director on the Board of the Company since 7th September 1994.

Directorship in Other Companies: Nil

6. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the Office of the registrar and Transfer Agent of the Company.
7. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send there queries at least seven days before the date of the meeting of the Company so that the information require may be made available at the meeting.

REGD OFFICE:

Office No. 303, Morya Landmark I,
Behind Crystal Plaza, Off New Link road,
Andheri (West), Mumbai-400 053

By Order of the Board of Directors

D.K. GOYAL
Managing Director

Dated: 29th July 2013



Upsurge Investment & Finance Ltd.

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION ANALYSIS

To the Members,

Your Directors are presenting the Nineteenth Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31st March 2013.

FINANCIAL RESULTS

Financial results of the company during the year vis-à-vis previous year are as follows: -

(Rs. In Lacs)

	Year Ended 31.03.2013	Year Ended 31.03.2012
Total Income	1990.03	1,396.48
Profit before Depreciation and Tax	(2.55)	(48.31)
Less: Depreciation	3.60	3.18
Profit before Tax	(6.15)	(51.49)
Less: Provision for Income Tax	Nil	Nil
Profit after Tax	(6.15)	(51.49)
Balance brought forward from previous years	(102.10)	(50.61)
Transfer to Statutory Reserve	Nil	Nil
Balance carried to Balance Sheet	(108.25)	(102.10)

DIVIDEND

In view of losses during the year under review directors do not recommend any dividend for the year ended 31st March, 2013.

PERFORMANCE

The company is mainly engaged into investments and finance activities. The total income of the company has increased to Rs. 1990.03 lacs from Rs. 1396.48 lacs in the previous year. The financial year 2012-13 witnessed to be a very difficult period all around the world including India. The capital spending was at lower side. The demand was low resulted lower production and lower profitability / negative profitability. Henceforth every sector and company's performance and profitability suffered. The company has incurred net loss of Rs. 6.15 lacs during the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE & DEVELOPMENT

Non Banking Finance Companies (NBFCs) have emerged as important financial intermediaries particularly for the small scale and retail sectors. With simplified sanction procedures, flexibility, low operating cost and focused product presence, NBFCs have an edge over banks in meeting the credit needs

B. OPPORTUNITIES & THREATS

Your Company is mainly engaged in the business of Finance and Investment in Capital Market. Business opportunities for Finance Companies are enormous as the new areas and segments are being explored. There is a large scope of small size Finance & Investment Companies like ours, for certain segment of customers, which remain unserved by Banks and large size Investment & Finance Companies.

The major threat being faced by Investment & Finance Companies are frequent regulatory changes, Interest Rate hikes by RBI, high Inflation, aggressive marketing of banks and volatility in global equity and commodity market.



Upsurge Investment & Finance Ltd.

C. RISKS AND CONCERNS

Your company's performance to a large extent depends upon scenario of the capital markets, finance scenario, RBI policies, industry performance and the general economic outlook of the country. The volatility in the stock Market, rate of interest and GDP would affect the profitability of the company.

D. OUTLOOK

Despite a number of years of declining equity volumes globally, the outlook for the Indian capital market is still quite positive. If India continues to develop as a resilient growth economy and one of the most attractive emerging markets for investments, then over the medium to long term, investors and higher volume levels will return to the market.

In the long term, given the outlook for continued growth and wealth-creation in India, we continue to believe corporate profits and equity market performance will warrant continued interest from Indian institutional investors and foreign investors also.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. The control systems set on place are checked and further supplemented by MIS which provided for planned expenditure and information on disposal and acquisition of assets.

F. HUMAN RESOURCES

The company always regards human resources as its most valuable asset and continuously evolves policies and process to attract and retain its substantial pool of managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance.

G. CAUTIONARY NOTE

Certain Statements in the Management Discussion and Analysis describing the company's views about the industry, expectations, objectives, etc may be understood 'forward looking statement' within the meaning of applicable laws and regulations. Factors like changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. may further influence the company's operations or performance. Actual results may differ substantially or materially from those expressed or implied.

CORPORATE GOVERNANCE

As a Listed Company, necessary measures are taken to comply with the Listing Agreements with the Stock Exchanges. A report on the Corporate Governance together with a certificate of compliance from the Auditors, forms part of this report.

PUBLIC DEPOSITS

The company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and/or rules framed there under.

SHARE CAPITAL

Your company has not made any allotment during the year and hence forth there is no change in the Share Capital of the Company.

DIRECTORS

Mr. B.K. Goyal retire by rotation in accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company and being eligible, offer himself for re-appointment.



Upsurge Investment & Finance Ltd.

Information on the Directors eligible for reappointment as required under clause 49 of the Listing Agreement with Stock Exchanges is disclosed in the profiles of the Directors under item no. 2 forming part of the Notice dated 29th July 2013 circulated along with Annual Report 2012-13

DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the company for the year under review;
- That the directors have 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;
- That the directors have prepared the accounts for the financial year ended 31st March, 2013, on a 'going concern' basis.

STATUTORY AUDITORS

M/s Bansal Bansal & Co., Chartered Accountants (Registration No. 100986W) Statutory Auditors of the company, retire from the office of the Auditors at the ensuing Annual General Meeting and being eligible have given a certificate in accordance with the provisions of section 224 (1-B) of the Companies Act, 1956. The Board recommends the re-appointment of M/s. Bansal Bansal & Co., Chartered Accountants as the Statutory Auditors.

RBI GUIDELINES

The company continues to comply with all the requirements prescribed by the Reserve Bank of India from time to time as applicable to it.

PARTICULARS OF EMPLOYEES

There is no employee covered pursuant to Section 217(2A) of the companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 as amended.

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

Pursuant to the requirement under section 217(1)(e) of the Companies Act 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988,

- a) The Company has no activity involving conservation of energy or technology absorption.
- b) Foreign exchange earnings and outgo

Earnings: Nil Outgo: Rs. 3,67,112/-

ACKNOWLEDGEMENT

The Directors take the opportunity to thank all its colleagues at Upsurge Investment & Finance Ltd. for their professionalism and dedication. The Board also wishes to place on record its appreciation for valuable support given by the Bankers, Clients and Shareholders.

For and on behalf of the Board of Directors

D. K. GOYAL

Managing Director

Mumbai: 30th May 2013



Upsurge Investment & Finance Ltd.

REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY ON CORPORATE GOVERNANCE CODE

The Company seeks to adopt good corporate Governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

BOARD OF DIRECTORS

Composition:-

As on 31st March 2013 the Board of Directors comprised of four (4) directors with an Executive Chairman. The number of Independent Non-Executive Directors (NED's) is more than 50% of the total number of Directors. The composition of the Board is in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges.

Number of Board Meeting:-

The Board met Six times during the year 2012 - 2013, on 24th April, 2012, 7th May, 2012, 29th June, 2012, 14th August, 2012, 8th October, 2012, 11th February, 2013.

All the directors have informed the company periodically about their Directorship and Membership on the Board Committees of other Companies. As per disclosure received from Director(s), none of the Directors hold membership in more than ten (10) Committees and Chairmanship in more than five (5) Committees.

The details of the composition, nature of Directorship, the number of meetings attended and the directorship in other companies of the directors of the company are as follows. This table also signifies the relationship of the Directors with each other as required to be disclosed in terms of Clause 49 of the Listing agreement.

Name of Directors	Nature of Directorship	Relationship with each other	Attendance particulars		No. of Directorship and Committee Membership/ Chairmanship in other Public Companies*		
			Board Meeting	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
D.K.Goyal	Managing Director, Executive	Brother of B.K.Goyal	6	Yes	Nil	Nil	Nil
B.K.Goyal	Non Executive, Non Independent	Brother of D.K.Goyal	6	Yes	Nil	Nil	Nil
Dinesh Vijayvargia	Non Executive, Independent	***	6	Yes	Nil	Nil	Nil
Hansraj Goyal	Non Executive, Independent	***	6	Yes	Nil	Nil	Nil

*** There is no relationship between any of the Independent Directors.

Notes: Private limited Companies, foreign companies and companies under section 25 of the Companies Act 1956 are excluded above purposes. Only Audit committee and shareholders grievances committee are considered for the purpose of committee positions as per Listing Agreement.



Upsurge Investment & Finance Ltd.

Board Procedure:-

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the company to discharge its responsibility effectively and take informed decision. Where it is not practicable to attach or send the relevant information, the same are tabled at the meeting or / and the presentations are made by the concerned manager to the Board.

The information as specified in Annexure 1A to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

COMMITTEES OF THE BOARD

Audit Committee

Composition

The Audit committee is constituted in accordance with various requirements under the Companies Act, 1956 and Clause 49 of the Listing Agreement. The present Audit Committee consists of the following Directors,

Mr. Hansraj Goyal	- Chairman, Independent, Non Executive
Mr. D.K. Goyal	- Member, Non Independent, Executive
Mr. Dinesh Vijayvargia	- Member, Independent, Non Executive

Compliance Officer and Statutory Auditors have also attended the meetings

Two members of the Audit Committee are Independent- Non Executive Directors and all directors are financially literate.

During the financial year 2012-13, five (5) Audit Committee meetings were held as under- 7th May, 2012, 29th June, 2012, 14th August, 2012, 8th October, 2012 and 11th February 2013.

All the Committee members were present at all the meetings.

Power & Terms of Reference:-

The Power and Terms of Reference of the Audit Committee are mentioned in Clause 49II(C), (D) & (E) of the Listing Agreement entered into with Stock Exchanges and includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The Compliance Officer and the Statutory Auditors are invited to the meeting.

Remuneration Committee

Brief description of terms of reference

- 1) To recommend to the Board salary, perquisites and commission to be paid to the Company's Managing/Whole-time directors,
- 2) To finalise the perquisites package within the overall ceiling fixed by the Board.

Constitution and Composition

The constitution of the Remuneration Committee is as follows:

Mr. Dinesh Vijayvargia	- Chairman, Independent, Non-Executive
Mr. B.K.Goyal	- Member, Non Independent, Non Executive
Mr. Hansraj Goyal	- Member, Independent, Non Executive

All the three Members of the Remuneration Committee are Non Executive Directors and the Chairman of the Committee is an Independent Director.



Upsurge Investment & Finance Ltd.

Meetings and attendance

During the financial year ended 31st March, 2013, Remuneration Committee Meeting was held on 7th May, 2012 for Reappointment & Fixation of Remuneration of Managing Director.

Remuneration policy

The Remuneration Committee has been constituted to recommend/review the remuneration package of the Managing /Whole time directors.

Details of Remuneration paid to Directors of the Company is as follows:

Managing Director

The remuneration payable to Managing Director & CEO is decided by the Remuneration Committee in accordance with the terms and conditions as approved by the shareholders at the Annual General Meeting held on 13th August, 2012.

The Remuneration Committee decides the remuneration payable to Mr. D.K.Goyal considering his experience, expertise and contribution to the company and prevailing industry standards. His remuneration structure comprises of salary, perquisites, commission etc. Annual increments are decided by the Remuneration Committee within the limits mentioned in the Contract and as approved by the shareholders. No Severance fees is payable to him on termination of employment.

Non Executive Directors

The Non Executive Directors add substantial value to the Board and provide strategic insight from time to time. They play a vital role in safeguarding the interest of the investors and other stakeholders of the Company. Their active involvement and engagement with the Company's business as well as independent views ensure the highest level of governance. However the Company currently does not pay any compensation and sitting fees to Non Executive Directors

The Company currently has no stock option plans for any of its directors and hence it does not form part of the remuneration package payable to the managing director. During the year under review, none of the Directors was paid any performance linked incentive.

The Company has not issued any Stock Options to any of the Directors. The term of managing director does not exceed five years.

Shareholding of a Non-Executive / Independent Directors of the Company as on 31st March 2013

Name of the Director	Nature of Directorship	No. of Shares held	Percentage to the paid up Capital
B.K.Goyal	Non Executive, Non Independent	58,100	0.38

Details about Remuneration paid to Managing Director in 2012-13 is as follows:

	Salary (Rs.)	Perquisites (Rs.)
Mr. D.K.Goyal (Managing Director)	480,000/-	Nil

Directors with materially significant, pecuniary or business relationship with the Company:

Note no. 24 of the Notes to the Financial Statements furnishes the transaction with related parties, as stipulated under accounting Standard 18 (AS-18). Apart from the aforesaid related party transactions, there are no transactions of material nature with the Directors or their relatives, etc; which may have a potential conflict with the interest of the Company.



Upsurge Investment & Finance Ltd.

There were no pecuniary relationship and transactions of any non executive director with the company.

Finance Committee

The constitution of the Finance Committee is as follows:

Mr. D.K.Goyal	- Chairman, Non Independent, Executive
Mr.Hansraj Goyal	- Member, Independent, Non Executive
Mr. Dinesh Vijayvargia	-Member, Independent, Non Executive

The Board of Directors of the Company has constituted the finance committee to make recommendations to the Board relating to capital structure and the issuance of securities, guarantees, banking arrangement and cash management, review and approve certain short-term and long term investment and other financial transaction.

Shareholders' /Investors' Grievance Committee

The Shareholders / Investors Grievance committee which is Chaired by a Non Executive Director / Independent Director to specifically look into the redressal of shareholders queries and complaints.

The Company has constituted the shareholders/Investors grievance committee comprising of Mr. Hansraj Goyal (Chairperson), Mr. B.K.Goyal and Mr. Dinesh Vijayvargia.

During the Financial year ended 31st March, 2013 the committee met twice on 16th April, 2012 and on 10th October, 2012 that were attended by all the members of the committee.

The terms of reference of the Committee includes the following:

1. To specifically look into the queries and complaints received from the shareholders of the Company.
2. To oversee the performance of the Registrar and Transfer agents of the company and
3. To recommend measures for overall improvement in the quality of service to the investors.

Mrs. Urmila Lokhande has been appointed as the Compliance officer of the Company w.e.f.27th August 2012 in place of Ms. Swati Dhoundiyal.

During the year company has not received any Complaints.

Share Transfer Committee

During the financial year 2012-13, the Share Transfer Committee comprised of three Non-Executive Directors, Mr. Hansraj Goyal (Chairperson), Mr. B.K.Goyal and Mr. Dinesh Vijayvargia. It is constituted to monitor, supervise and approve the request received from the shareholders of the company and others, for transfer, transmissions, deletion, etc, handled by the Company in co-ordination with Sharex Dynamic (India) Pvt. Ltd., the Company's Registrar and Transfer Agent.

The Share Transfer Committee has been delegated powers to administer the following.

1. To effect transfer of shares;
2. To effect transmission or deletion of shares;
3. To issue duplicate share certificate, issue of certificates on receipts of requests for consolidation or split of share certificates;
4. To approve the register of members as on the record date(s) and / or book closure date for receiving dividends and other corporate benefits if any;
5. To review the correspondence with the shareholders and take appropriate decisions in that regard; and
6. To redress complaints from shareholders from time to time



Upsurge Investment & Finance Ltd.

The Committee comply the requirement of Clause 49 (IV) (G) of the Listing Agreement.

SUBSIDIARY COMPANIES

The Company does not have any non listed Indian Subsidiary Company in term of Clause 49 (III) of the Listing Agreement

CEO/ CFO CERTIFICATION

As required by clause 49 (V) of the Listing Agreement, a certificate from Managing Director and Acting Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board.

GENERAL BODY MEETING

The Last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2009-2010	Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (west), Mumbai- 400 053	6 th September, 2010	10 a.m.
2010-2011	Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (west), Mumbai- 400 053	8 th August, 2011	10 a.m.
2011-2012	Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (west), Mumbai- 400 053	13 th August, 2012	10 a.m.

Following special resolutions were passed in the last three Annual General Meetings.

Sr. No.	Date of Meeting	Description of Resolution
1.	6 th September, 2010	To approve and authorize the issue of warrants to the promoter of the company and / or others on Preferential Issue basis in terms of Chapter VII of SEBI (ICDR) Regulations, 2009
2.	8 th August, 2011	Keeping the Registers>Returns/Documents at a Place other than Registered Office.
3.	13 th August, 2012	Re-appointment of M.D. & Fixation of their Remunerations

During the year ended 31st March 2013, there have been no resolutions passed by the Company's shareholders by postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

DISCLOSURES

Disclosures on materially significant related party transactions:

Your Company has not entered into any transaction of a material nature except transactions with related parties which are furnished under Note No. 24 of the Notes to the financial statements as stipulated under Accounting Standards 18 (As-18), with the Promoters, Directors or the Management, their subsidiaries or relatives etc. All transactions were carried out on an arms-length basis and were not prejudicial to the interest of the company.

Details of Non compliance(s) by the Company

The Company has complied with the requirements of the Stock Exchange/SEBI and/or Statutory Authority on all matters related to capital markets during last three years. There are no penalties or strictures imposed on the company by the Stock Exchanges or SEBI or any authorities relating to the above.



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Disclosure of accounting treatment

In the preparation of the financial statements, the company has followed the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India to the extent applicable.

Details of compliances with Mandatory and Non Mandatory requirements of Clause 49 of the Listing Agreement:

The Company has complied with the mandatory requirements of the code of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges. Following is the status of compliance with the non mandatory requirements.

i) The Board

The Chairman has been provided office in the Company's Office. However, no expenses are reimbursed.

ii) Remuneration Committee

The Company already has a Remuneration Committee with terms of reference mentioned above. It comprises wholly of Non Executive Directors and the Chairman is an Independent Director.

iii) Shareholders Rights

The Company's results are available on BSE website at www.bseindia.com as well as on Company's website at www.upsurgeinvestment.com.

iv) Training of Board Members

Presently the Company does not have such a training programme.

v) Mechanism for evaluating non- executive Board Members

Presently the Company does not have such a mechanism as contemplated for evaluation the performance of Non- Executive Board Members.

vi) Whistle Blower Policy

Presently the Company does not have a Whistle Blower Policy.

Risk Management

The Company has laid down procedure to inform Board Members about the risk assessment and minimization procedure. These would be periodically reviewed to insure that executive management controls risks through means of a properly defined framework.

Proceeds from Public issues, right issues, preferential issues etc.

There were no public issues, right issues, preferential issues etc. during the year.

Code of Conduct:-

The Company has laid down a code of conduct for all the directors and senior management of the company. All the Directors and senior management personnel have affirmed compliance with the code for 2012-13. A declaration signed by the managing director of the company forms part of the report.

Management discussion and analysis

This is given elsewhere in the Annual Report.

Disclosure of material transactions

Under Clause 49, senior management is required to make periodical disclosures to the board relating to all material financial and commercial transactions where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. Provision regarding the above has been adhered to.



Upsurge Investment & Finance Ltd.

Re-appointment of Director

Retiring director is Mr. B.K. Goyal., being eligible, has offered his candidature for re-appointment. Brief profile of the retiring director is given in the notice convening the ensuing Annual General Meeting.

Review of Legal Compliance Reports:-

During the year, the Board periodically reviewed compliance report with respect to the various laws applicable to the company, as prepared and placed before it by the management.

MEANS OF COMMUNICATIONS

The Company has promptly reported all material information including Quarterly Results and press releases to the Stock Exchanges where the Company's securities are listed. The Quarterly results were communicated to the shareholders by way of advertisement in a national daily and in a vernacular language newspaper.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Date and Time :	30 th September 2013 at 4.00 p.m.
Venue :	Country Club, 723/A, Prathmesh Complex, Veera Desai Road Extn., Andheri (West), Mumbai- 400 053

Financial Calendar:

Financial year: 1st April to 31st March

For the year ended 31st March 2013, results were announced on:

14 th August, 2012	First Quarter
8 th October, 2012	Second Quarter
11 th February, 2013	Third Quarter
30 th May, 2013	Fourth Quarter

For the year ending 31st March 2014, results will be announced as per the tentative schedule below

2 nd week of August 2013	First Quarter
2 nd week of November, 2013	Second Quarter
2 nd week of February, 2014	Third Quarter
2 nd week of May, 2014	Fourth Quarter

Book Closure:

The dates of book closure are from Wednesday 25th September 2013 to Monday 30th September 2013

Dividend:

The company has not declared any dividend for the year ended 31st March 2013.

Listing on Stock Exchange:

The Company's shares are listed on The Bombay Stock Exchange Limited (BSE).

The company has paid the listing fees for the financial year 2013-14 to the Stock Exchange on which Company's shares are listed. The Company has also paid custodial fees for the year 2013-14 to Central Depository Services (India) Limited. The Company has paid one time custody fees to National Securities Depository Limited under onetime payment scheme.

The International Security Identification Number (ISIN) allocated to the Company by NSDL and CDSL is INE 890B01014.

The Stock Exchange Code assigned to your company's shares at BSE is 531390



Upsurge Investment & Finance Ltd.

Stock Price data:

The monthly high and low prices of your company's shares at Bombay Stock Exchange Limited (BSE) for the year ended 31st March 2013 are given as follows:

Months	High (Rs.)	Low (Rs.)
April 2012	31.95	27.00
May 2012	28.00	22.60
June 2012	33.15	25.00
July 2012	53.90	26.10
August 2012	48.25	40.25
September 2012	58.90	44.75
October 2012	83.10	56.55
November 2012	83.25	62.15
December 2012	69.00	35.00
January 2013	57.90	41.20
February 2013	61.70	38.45
March 2013	44.10	31.70

Registrars and Transfer Agents:

Sharex Dynamic (India) Pvt.Ltd. is the Registrar and Transfer Agent of the Company.

Shareholders, beneficial owners and depository participants (DPs) are requested to send / deliver the documents/Correspondence relating to the Company's share transfer activity etc. to Sharex Dynamic (India) Pvt. Ltd. Registrar and Transfer Agent of the Company at the following addresses:

Sharex Dynamic (India) Pvt. Ltd.

Unit: Upsurge Investment & Finance Ltd.

Unit No. 1, Luthra Industrial premises, 1st floor, 44-E, M Vasanti Marg, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai- 400 072

Tel. No. 22641376/ 22702485 Fax: 22641349 Email: investor@sharexindia.com

For the benefit of shareholders, documents will continue to be accepted at the following registered office of the Company:

Upsurge Investment & Finance Ltd.

Office no. 303, Morya Landmark -I, behind crystal plaza, off New Link Road, Andheri (West), Mumbai- 400 053

Tel No. : 67425441 Fax: 67425440

Email ID for investors Grievances:

The e-mail address for investor's grievances is info@upsurgeinvestment.com

Share Transfer System:

The applications and requests received by your company for transfer of shares held in physical form are processed and the share certificates for the same are sent to the transferee within the stipulated period under the Companies Act, 1956 and the Listing Agreement.



Upsurge Investment & Finance Ltd.

Distribution of Share Holding as at 31st March, 2013

Shareholding of Nominal Value of Rs.	Share holders		Share holdings	
	Number	%	No. of Shares	%
Up to 5000	2009	80.98	368078	2.43
5001 – 10000	170	6.85	144748	0.96
10001 – 20000	105	4.23	165031	1.09
20001 – 30000	43	1.73	113935	0.75
30001 – 40000	20	0.81	73257	0.48
40001 – 50000	18	0.73	83532	0.55
50001 – 100000	34	1.37	246951	1.63
100001 & above	82	3.30	13956868	92.11
Total	2481	100.00	15152400	100.00

Share holding Pattern as on March 31, 2013

Categories	No of Shares	% of Holding
Promoters	4439910	29.30
Private Corporate Bodies	3806294	25.12
Residential Individual	6871596	45.35
NRI's/ OCBs	33700	0.22
Mutual Fund/FII's	900	0.01
Total	15152400	100.00

Dematerialization of Shares:

97.18 % of the equity shares have been Dematerialized upto 31st March 2013

Break up of shares in physical and demat form as on 31st March 2013 is as follows:

	No. of Shares	% of Shares
Physical Segment	427501	2.82
Demat Segment		
NSDL	3419963	22.57
CDSL	11304936	74.61
Total	15152400	100.00

Outstanding GDR's /ADRs /Warrants/ Convertible Instruments and their impact on Equity

The Company has not issued any GDR's /ADRs / Convertible Instruments.



Upsurge Investment & Finance Ltd.

Annexure to Report on Corporate Governance for the year ended 31st March 2013

Declaration on compliance of the Company's Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ended 31st March 2013.

D. K. GOYAL

Managing Director

Mumbai, 30th May 2013

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,

Upsurge Investment & Finance Ltd.

We have examined the compliance of conditions of corporate Governance by "Upsurge Investment & Finance Ltd." for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that, no investor grievance received during the year ended 31.03.2013 were pending for a period of one Month against the Company as per the records maintained by the Company.

We further state that such Compliance is neither an assurance as to the further viability of the company nor the efficiency or effectiveness with which the management had conducted the affairs of the company.

For **Bansal Bansal & Co.**
Chartered Accountants
Firm Reg No. 100986W

MANOJ KUMAR AGARWAL
Partner
M. No. 107624

Mumbai, 30th May 2013



Upsurge Investment & Finance Ltd.

INDEPENDENT AUDITOR'S REPORT

To the Members of Upsurge Investment & Finance Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of “**Upsurge Investment & Finance Ltd.**” which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's 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 Standards referred to in section 211(3C) of the Companies Act, 1956 (“the Act”). 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.

Auditors 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. 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 accompanying 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:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss Account, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



Upsurge Investment & Finance Ltd.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by "the Companies (Auditors Report) (Amendment) Order, 2004", issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), 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) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act.
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Bansal Bansal & Co.
Chartered Accountants
FRN: 100986W

Manoj Kumar Agarwal
(Partner)
M. No. : 107624

Place: Mumbai
Date: 30/05/2013



Upsurge Investment & Finance Ltd.

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Upsurge Investment & Finance Ltd. on the financial statements of the company for the year ended March 31, 2013.

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The Fixed Assets of the company have been physically verified by the Management during the year in accordance with the regular programme which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were reportedly noticed on such verification.
- (c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
- ii. (a) The Stock in trade of shares and securities held in the physical form has been physically verified and those held in the dematerialized form have been verified from the relevant statement received from the depository, during the year, by the Management. In our opinion having regard to the nature of stocks, the frequency of the verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock of shares and securities followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification of Inventories as compared to book records.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b) (c) and (d) of the order are not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
- iv. In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of inventory and fixed Assets and for the sale of goods (Shares and securities) and services.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956 exceeding the value of Five Lakh Rupees in respect of any party during the year.
- vi. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from public during the year as stated in the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act 1956 or the rules framed there under.
- vii. The Company has an internal audit system commensurate with the size of the company and nature of its business.



Upsurge Investment & Finance Ltd.

- viii. Maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act is not applicable to the company.
- ix. (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed material statutory dues including Income Tax and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2013, for a period of more than six months from the date they became payable
(b) According to the information and explanations given to us and the records of the company examined by us there are no disputed amounts in respect of various statues which have not been deposited.
- x. The company has accumulated losses as per the Balance Sheet as at the end of the financial year. The company has incurred cash losses during the financial year and in the immediately preceding financial year.
- xi. The Company avails of overdraft facility against the lien of its own fixed deposits with banks. The Company has not defaulted in repayment of its dues in this regard.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi /mutual benefit fund/society.
- xiv. The company has maintained proper records of the transactions and contracts of its trading or dealing in securities and other investments and timely entries have been made therein. All securities have been held by the company in its own name except to the extent of exemption granted under Section 49 of the Companies Act, 1956.
- xv. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
- xvi. The Company has not raised any term loan during the year and hence clause 4(xvi) is not applicable to the Company.
- xvii. According to the information and explanations given to us and on 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 by the Company.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, during the year.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end.
- xx. The Company has not raised any money by public issue during the year.
- xxi. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year

For Bansal Bansal & Co.
Chartered Accountants
FRN:100986W

Manoj Kumar Agarwal
Partner
M. No. : 107624

Place: Mumbai
Date: 30/05/2013



Upsurge Investment & Finance Ltd.

AUDITORS' REPORT

To,
The Board of Directors
Upsurge Investment & Finance Ltd.

1. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India in terms of Sub-Section (1A) of the Reserve Bank of India Act, 1934, we report that:
 - a. The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (CoR) from the Bank.
 - b. The company is holding CoR issued by the bank and it is entitled to hold such CoR in terms of its asset/income pattern as on March 31, 2013.
 - c. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
 - d. The company has not accepted any public deposits during the current Financial Year.
 - e. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For Bansal Bansal & Co.
Chartered Accountants
Firm Reg No.100986W

Manoj Kumar Agarwal
Partner
M No. 107624

Mumbai, 30th May 2013



Upsurge Investment & Finance Ltd.

BALANCE SHEET AS AT 31st MARCH 2013					
(Amount in Rs.)					
Particulars	Note No.	As at 31 st March 2013		As at 31 st March 2012	
<u>Equity & Liabilities</u>					
Shareholders' funds					
(a) Share Capital	2	151,524,000		151,524,000	
(b) Reserves and Surplus	3	55,985,098		56,600,186	
			207,509,098		208,124,186
Current Liabilities					
(a) Short Term Borrowing	4	3,908,957		77,431,746	
(b) Trade Payables	5	-		4,400,330	
(c) Other Current Liabilities	6	152,583		132,629	
(d) Short-Term Provisions	7	116,000		331,000	
			4,177,540		82,295,705
TOTAL			211,686,638		290,419,891
<u>Assets</u>					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	8	2,376,142		2,682,668	
(b) Non –Current Investments	9	22,544,198		22,544,198	
			24,920,340		25,226,866
Current Assets					
(a) Inventories	10	64,290,039		104,215,346	
(b) Trade Receivables	11	685,228		1,560,542	
(c) Cash and Cash equivalents	12	72,504,582		94,372,166	
(d) Short-Term Loans and Advances	13	49,065,699		64,930,815	
(e) Other Current Assets	14	220,750		114,156	
			186,766,298		265,193,025
TOTAL			211,686,638		290,419,891
Significant Accounting Policies The notes are an integral part of these financial statements	1				
As per our report of even date					
For Bansal Bansal & Co. Chartered Accountants FRN: 100986W			For & on behalf of the Board		
Manoj Kumar Agarwal Partner M.No. 107624			D.K. Goyal Managing Director	B. K. Goyal Director	
Mumbai, dated 30 th May 2013					



Upsurge Investment & Finance Ltd.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 st MARCH 2013					
(Amount in Rs.)					
Particulars	Note No	Year ended 31 st March 2013		Year ended 31 st March 2012	
Revenue from Operations	15	199,002,760		139,642,884	
Other Income	16	-		4,723	
Total Revenue			199,002,760		139,647,607
Expenses					
Purchases of Stock –in-Trade	17	153,452,299		188,938,627	
Changes in Inventories	18	39,925,307		(50,226,787)	
Employee Benefits Expenses	19	2,544,404		2,505,389	
Finance Costs	20	471,865		31,872	
Depreciation and Amortization Expenses	8	360,209		317,909	
Other Expenses	21	2,863,764		3,229,896	
Total Expenses			199,617,848		144,796,906
Profit/ (loss) Before Tax			(615,088)		(5,149,299)
Tax Expenses			-		-
Net Profit/ (loss) After Tax			(615,088)		(5,149,299)
Earning Per Equity Share (Face Value Rs. 10/- Per Share):	25				
Basic & Diluted			(0.04)		(0.34)
Significant Accounting Policies	1				
The notes are an integral part of these financial statements					
As per our report of even date					
For Bansal Bansal & Co.			For & on behalf of the Board		
FRN: 100986W					
Chartered Accountants					
Manoj Kumar Agarwal			D. K. Goyal		B.K. Goyal
Partner			Managing Director		Director
M.No. 107624					
Mumbai, dated 30 th May 2013					



Upsurge Investment & Finance Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in Rs.)

Particulars	As at 31 st March 2013	As at 31 st March 2012
A Cash flow from operating activities		
Net Profit/ (loss) before tax	(615,088)	(5,149,299)
Depreciation	360,209	317,909
Provision for standard assets	(215,000)	157,000
Operating profit/ (loss) before working capital changes	(469,879)	(4,674,390)
Changes in working capital:		
Increase/ (decrease) in trade payables	(4,400,330)	4,400,330
Increase/ (decrease) in provisions	-	-
Increase/ (decrease) in other liabilities	19,954	6,699
Increase/ (decrease) in Short Term borrowing	(73,522,789)	29,484,562
Decrease/ (increase) in Investments	-	(2,161,768)
Decrease/ (increase) in loans and advances	15,865,116	7,009,480
Decrease/ (increase) in Inventories	39,925,307	(50,226,787)
Decrease/ (increase) in Trade receivable	875,314	(1,179,826)
Decrease/ (increase) in other current assets	(106,594)	(114,156)
Cash generated from operations	(21,813,901)	(17,455,856)
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ used in operating activities (A)	(21,813,901)	(17,455,856)
B Cash flow from investing activities		
Purchase of fixed assets including intangible assets	(53,683)	(632,406)
Net cash used in investing activities (B)	(53,683)	(632,406)
C Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	-
Securities premium of issue of equity shares	-	-
Net cash from financing activities (C)	-	-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	(21,867,584)	(18,088,262)
Cash and cash equivalents at the beginning of the year	94,372,166	112,460,428
Cash and cash equivalents at the end of the year	72,504,582	94,372,166
Components of Cash and Cash Equivalents		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
i) Cash in hand	444,120	711,031
ii) Balances with scheduled banks		
Current Accounts	10,114	20,114
Overdraft Accounts	158,435	140,861
Deposit accounts	71,891,913	93,500,160
Total cash and cash equivalents (Note 12)	72,504,582	94,372,166

As per our report of even date

For Bansal Bansal & Co.

Chartered Accountants

FRN: 100986W

Manoj Kumar Agarwal

Partner

M. No. 107624

For and on behalf of Board

D.K. Goyal

Managing Director

B.K. Goyal

Director

Mumbai, dated 30th May 2013



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of financial statements.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 Inventories

Stock in trade is valued scrip wise, at cost or market value whichever is lower in case of listed shares. Whereas in case of unquoted shares, valuation is at cost. Cost is calculated on the basis of first- in- first- out method.

1.3 Cash & Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash on hand and balances with Banks in current and deposit accounts.

1.4 Depreciation:

Depreciation has been provided on Straight line Method on prorata-basis and in some cases to the extent available at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

1.5 Revenue Recognition

Sales are recognised on transfer of significant risks and rewards of the ownership of the goods to the buyer and are reported net of turnover / trade discounts, returns and claims if any. Revenue from services are accounted as and when incurred.

Dividend income on investments is accounted for when the right to receive the payment is established.

Interest income is accounted on time proportion basis taking into account the amount outstanding and applicable interest rate.

1.6 Tangible Fixed Assets:

Fixed Assets have been stated at historical cost inclusive of incidental expenses, less accumulated depreciation.

1.7 Investments

Long term investments are stated at cost, less provision for diminution in the value other than temporary, if any.

1.8 Employee benefits

The Company does not have any employee to whom gratuity or any retirement benefits are payable.

1.9 Borrowing Cost

Borrowing cost related to (i) funds borrowed for acquisition / construction of qualifying assets are capitalized upto the date the assets put to use and (ii) funds borrowed for other purpose are charged to profit and loss account.

1.10 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

1.11 Taxation

Tax liability is estimated considering the provision of the Income Tax Act, 1961. Deferred tax is recognized on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. On prudent basis, deferred tax assets are recognised and carried forward to the extent only when there is reasonable certainty that the assets will be adjusted in future.

1.12 Foreign currency transactions

All transactions in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions takes place

1.13 Derivative Contracts

All derivative contracts of Shares & Securities are marked to market and losses are recognized in the statement of profit & loss. Gains arising on the same are not recognized, until realized, on grounds of prudent.

(All amounts are in Rupees, unless otherwise stated)

	As at 31 st March 2013	As at 31 st March 2012
2 SHARE CAPITAL		
Authorised:		
1,52,50,000 Equity Shares (Previous Year 1,52,50,000) of Rs. 10/- each	152,500,000	152,500,000
	152,500,000	152,500,000
Issued, Subscribed and Paid-up :		
1,51,52,400 Equity Shares (Previous Year 1,51,52,400) of Rs. 10/- each	151,524,000	151,524,000
	151,524,000	151,524,000

a) Reconciliation of number of shares

Equity Shares	As at 31 st March 2013		As at 31 st March 2012	
	No. of Shares	Rs.	No. of Shares	Rs.
Shares outstanding at the beginning of the year	15, 152,400	151,524,000	15, 152,400	151,524,000
Shares outstanding at the end of the year	15, 152,400	151,524,000	15, 152,400	151,524,000

b) Details of shareholders holding more than 5% shares in the company

Name of Equity Shareholder	As at 31 st March 2013		As at 31 st March 2012	
	No. of shares	% of holding	No. of shares	% of holding
Pankaj Shantilal Parikh	1,335,000	8.81	2,000,000	13.20

c) Rights, preferences and restrictions attached to shares.

Equity Shares: The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

	As at 31 st March 2013	As at 31 st March 2012
3 RESERVES & SURPLUS		
i Securities Premium		
Opening Balance	66,000,000	66,000,000
Add: addition during the year	-	-
Closing balance	(A) 66,000,000	66,000,000
ii General Reserves		
Opening Balance	365,132	365,132
Add: addition during the year	-	-
Closing balance	(B) 365,132	365,132
iii Surplus / (Deficit) in the Profit & Loss Account		
Opening Balance	(10,210,146)	(5,060,847)
Add: Profit/ (loss) for the year	(615,088)	(5,149,299)
Amount available for appropriation	(10,825,234)	(10,210,146)
Less: Appropriation		
Transfer to statutory reserves	-	-
Closing balance	(C) (10,825,234)	(10,210,146)
iv Statutory Reserves		
Opening Balance	445,200	445,200
Add: Transfer from Profit & Loss Account	-	-
	(D) 445,200	445,200
(Total of A to D)	55,985,098	56,600,186
4 SHORT TERM BORROWING		
Loan Repayable on demand		
From Banks		
Secured(against FDR)	3,908,957	77,431,746
	3,908,957	77,431,746
5 TRADE PAYABLE		
Due to creditors other than Micro & Small Enterprises	-	4,400,330
	-	4,400,330
6 OTHER CURRENT LIABILITIES		
Other payable		
Statutory dues	46,069	19,619
Others	1,06,514	1,13,010
	152,583	132,629
7 SHORT TERM PROVISION		
Provision for Standard Assets	116,000	331,000
	116,000	331,000



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

8 FIXED ASSETS

Tangible Assets	Gross Block				Depreciation				Net Block	
	As at 01/04/12	Addition during the year	Deduct during the year	As at 31/03/13	As at 01/04/12	Addition during the year	Deduct during the year	As at March 2013	WDV as on 31/03/13	WDV as on 31/03/12
Land at Malpura (Rajasthan)	567,040	-	-	567,040	-	-	-	-	567,040	567,040
Furniture & Fixtures	385,969	-	-	385,969	57,527	24,432	-	81,959	304,010	328,442
Office Equipments	240,666	53,683	-	294,349	86,647	11,879	-	98,526	195,823	154,019
Computers	807,027	-	-	807,027	581,097	130,819	-	711,916	95,111	225,930
Air Conditioners	153,500	-	-	153,500	109,360	7,291	-	116,651	36,849	44,140
Vehicles	1,955,663	-	-	1,955,663	592,566	185,788	-	778,354	1,177,309	1,363,097
Total	4,109,865	53,683	-	4,163,548	1,427,197	360,209	-	1,787,406	2,376,142	2,682,668
Previous year	3,492,851	632,406	15,392	4,109,865	1,124,680	317,909	15,392	1,427,197	2,682,668	2,368,171

9 NON CURRENT INVESTMENTS

Long term investments-Non trade Quoted

In Equity Shares (Fully paid up)

	Face value (Rs.)	No. of Shares	Amount	No. of Shares	Amount
Yash Management & Satellite Ltd.	10/-	1,440,000	17,789,124	1,440,000	17,789,124
A			17,789,124		17,789,124

In Debentures & Bonds

Shriram City Union Finance Ltd. (NCD-1)	1000	301	304,250	301	304,250
Shriram Transport Company Ltd.(NCD 1)	600	500	511,116	500	511,116
Shriram Transport Company Ltd.(NCD 9)	1000	1,150	1,175,690	1,150	1,175,690
Religare Finvest (12.50% Bonds)	1000	1,750	1,764,018	1,750	1,764,018
B			3,755,074		3,755,074

In Fully paid up Equity shares Unquoted

In Associates

Upsurge Shares & Securities Pvt. Ltd	10/-	50,000	500,000	50,000	500,000
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Others

The Bharat Co- Operative Bank Mumbai	10/-	50,000	500,000	50,000	500,000
C			1,000,000		1,000,000

(A+B+C)

Aggregate market value of quoted investment			12,430,850		16,138,431
Aggregate value of unquoted investment			1,000,000		1,000,000



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
10 INVENTORIES		
Stock –in- Trade	64,290,039	104,215,346
	<u>64,290,039</u>	<u>104,215,346</u>
11 TRADE RECEIVABLE		
Unsecured considered good		
Outstanding for a period exceeding six months	-	-
Others	685,228	1,560,542
	<u>685,228</u>	<u>1,560,542</u>
12 CASH & CASH EQUIVALENTS		
(i) Balances with Banks :		
- Current Accounts	10,114	20,114
- Overdraft Accounts	158,435	140,861
- Deposit Accounts	71,891,913	93,500,160
(ii) Cash in Hand	444,120	711,031
	<u>72,504,582</u>	<u>94,372,166</u>
13 SHORT TERM LOANS & ADVANCES		
1. Security Deposits		
Unsecured, considered good	1,000,000	1,000,000
2. Advances recoverable in cash or in kind for value to be received		
(Advances Considered good for which Company holds no Security other than personal security)		
Inter Corporate loans	41,000,000	31,100,065
Other Loans & Advances	4,339,540	30,350.102
Considered doubtful	1,000,000	1,000,000
Prepaid expenses	22,781	18,394
3. Share Application Money Given	-	650
4. Advance payment of Income tax and tax deducted at source (net of provision)	1,703,378	1,461,604
	<u>49,065,699</u>	<u>64,930,815</u>
14 OTHER CURRENT ASSETS		
Accrued interest on NCD's	218,750	114,156
Others	2,000	-
	<u>220,750</u>	<u>114,156</u>



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

	<u>As at 31st March 2013</u>	<u>As at 31st March 2012</u>
15 REVENUE FROM OPERATIONS		
Sale of Products		
Trading Sale	187,987,905	128,167,882
Interest income		
- on loans / intercorporate loans	7,010,518	7,386,813
- on fixed deposits	1,716,882	2,393,103
- on income tax refunds	24,326	100,619
- others	614,966	303,744
Other operating revenues		
Dividend income (from traded Shares & Securities)	1,078,907	686,519
Profit from trading activities	238,814	463,490
Profit from stock futures	330,442	140,714
	<u>199,002,760</u>	<u>139,642,884</u>
16 OTHER INCOME		
Brokerage received	-	4,723
	<u>-</u>	<u>4,723</u>
17 PURCHASE OF STOCK IN TRADE		
Purchase of Shares & Securities	<u>153,452,299</u>	<u>188,938,627</u>
	<u>153,452,299</u>	<u>188,938,627</u>
18 CHANGES IN INVENTORIES		
Closing Stock		
-Stock in Trade	64,290,039	104,215,346
Less:		
Opening Stock		
-Stock in Trade	104,215,346	53,988,559
	<u>(39,925,307)</u>	<u>50,226,787</u>
19 EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Bonus etc	2,430,253	2,336,831
Staff Welfare expenses	114,151	168,558
	<u>2,544,404</u>	<u>2,505,389</u>
20 FINANCE COSTS		
Interest expenses others	471,865	31,872
	<u>471,865</u>	<u>31,872</u>



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

	As at 31 st March 2013	As at 31 st March 2012
21 OTHER EXPENSES		
Electricity charges	199,955	169,318
Rent	336,000	336,000
Repairs & Maintenance-others	36,347	43,089
Legal & Professional Fees -	309,433	316,909
Payment to Auditors (Including Service tax)		
-Audit fees	61,798	56,180
-Tax Audit fees	33,708	28,090
Business Promotion	185,870	110,732
Insurance charges	17,219	15,046
Travelling & Conveyance	591,256	372,077
Listing fees & Other Charges	44,944	44,120
Office Expenses	93,010	121,868
Printing, Stationary & Xerox	106,912	133,043
Securities transaction charges	356,705	391,095
Sundry Balances w/off	60,563	165,983
Transaction & Service charges	105,004	88,260
Motor Car Expenses	190,014	307,795
Miscellaneous & Other Expenses	350,026	373,291
Provision for Standard Assets	(215,000)	157,000
	2,863,764	32,29,896

22 FOREIGN CURRENCY TRANSACTION

Expenditure in foreign currency

Travelling expenses	367,112	96,500
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23 SEGMENT REPORTING

The company is mainly engaged in the business of Investment & Finance. All the activities of the company revolve around the main business, and as such, in the opinion of the management, there are no separate reportable segments.

24 RELATED PARTY TRANSACTION

List of related parties with whom transactions have taken place:

i. Particulars of Associate Companies	Nature of relationship
Name of Related Party	
Yash Securities Pvt. Ltd.	Associate Company
Sankalp Properties Pvt. Ltd	Associate Company
ii. Key Management Personnel	
Name of Related Party	Nature of Relationship
Shri D.K.Goyal	Chairman & Managing Director

Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

iii. **Transactions during the year with related parties.** (Rs. In lacs)

Nature of Transaction	As at 31 st March 2013		As at 31 st March 2012	
	Associate Companies	Key Management Personnel	Associate Companies	Key Management Personnel
Expenditure				
Rent Paid	3.36		3.36	
Salary		4.80		4.80

25 EARNING PER SHARE

		As at 31 st March 2013	As at 31 st March 2012
a)	Net profit / (loss) after tax available to equity shareholders	(615,088)	(5,149,299)
b)	Weighted average no. of basic & diluted equity shares outstanding during the year	15,152,400	15,152,400
c)	Face Value per Equity Share (Rs.)	10.00	10.00
d)	Basic & Diluted EPS	(0.04)	(0.34)

26 AMOUNT DUE TO MICRO SMALL AND MEDIUM ENTERPRISES:

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made related to micro, small and medium enterprise. The company does not have any transactions with such entities.

27 Previous year's figures have been regrouped / reclassified, wherever necessary to correspond with current year's figures classification / disclosure.

As per our report of even date

For Bansal Bansal & Co.
Chartered Accountants
FRN: 100986W

For and on behalf of the Board of Director

Manoj Kumar Agarwal
Partner
M.No. 107624

D.K.Goyal
Managing Director

B.K. Goyal
Director

Mumbai, dated 30th May 2013



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

As required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(Rs. In lacs)

	Amount Outstanding	Amount Overdue
Liabilities side:		
1 Loans and Advances availed by the NBFC's inclusive of interest accrued thereon but not paid		
(a) Debenture: Secured	-	-
Unsecured (other than falling within the meaning of public deposits *)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Other Loans		
Overdraft balance with Banks (Secured against Fixed Deposit)	39.09	-
* Please see note 1 below		
Assets Side:		
2 Break up of Loans and advances including bills receivables (other than those included in (4) below)		
(a) Secured	-	-
(b) Unsecured	490.66	-
3 Break up of Leased Assets and Stock on hire and other assets counting towards AFC activities		
i Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
ii Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
iii Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
4 Break-up of Investments:		
Current Investments:		
1 Quoted		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-



Upsurge Investment & Finance Ltd.

Notes to the financial statements for the year ended 31st March 2013 (Contd)

As required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (Contd...)

(Rs. In lacs)

Category	Market value / Break up or fair value or NAV	Book Value (Net of Provisions)
2 Other than related parties	134.31	225.44
Total	134.31	225.44

** As per Accounting standard of ICAI (Please see Note 3)

7 Other information

Particulars	Amount
(i) Gross Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	10.00
(ii) Net Non-Performing Assets	
(a) Related parties	-
(b) Other than related parties	10.00
(iii) Assets acquired in satisfaction of debt	-

Notes:

- As defined in Paragraph 2 (1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date

For Bansal Bansal & Co.

FRN: 100986W

Chartered Accountants

Manoj Kumar Agarwal

Partner

M.No. 107624

Mumbai, dated 30th May 2013

For and on behalf of the Board of Director

D.K.Goyal

Managing Director

B.K. Goyal

Director

Upsurge Investment & Finance Ltd.

FORM A

1	Name of the Company	Upsurge Investment & Finance Ltd.
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	Un-Qualified
4	Frequency of observation	N.A
5	signed by- D.K.Goyal (Managing Director) Urmila Lokhande (CFO) Manoj Kumar Agarwal (Auditor of the company) Hansraj Goyal (Audit Committee Chairman)	   