



17th

Annual Report
2010-2011

Upsurge Investment & Finance Limited



Upsurge Investment & Finance Ltd.

BOARD OF DIRECTORS

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

**COMPANY SECRETARY &
COMPLIANCE OFFICER**

Ms. Swati Dhoundiyal

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

CONTENTS	Page No.
▪ Notice	1
▪ Directors' Report	3
▪ Report on Corporate Governance	7
▪ Compliance Certificate on Corporate Governance	16
▪ Auditors' Report	17
▪ Balance Sheet	21
▪ Profit & Loss Account	22
▪ Schedule forming part of the Balance Sheet & Profit & Loss A/c	23
▪ Significant accounting Policies & Notes on Accounts	27
▪ Balance Sheet Abstract	31
▪ Schedule appended to the Balance Sheet of NBFC	32
▪ Cash Flow Statement	35
▪ Statement u/s 212	36
▪ Accounts of Subsidiary	37



Upsurge Investment & Finance Ltd.

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of “**UPSURGE INVESTMENT & FINANCE LTD.**” will be held at Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (West), Mumbai- 400 053 on Monday 8th August 2011 at 10.00 A.M. to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, and the Audited Profit & Loss Account for the year ended on that date and the Auditors' and Directors' Reports thereon.
2. To appoint a director in place of Mr. Dinesh Vijayvargia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To 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.”

SPECIAL BUSINESS:

4. KEEPING THE REGISTERS/RETURNS/DOCUMENTS AT A PLACE OTHER THAN REGISTERED OFFICE

To consider and if thought fit to pass with or without modification, the following resolution as a Special resolution:

“Resolved that pursuant to the provision of Section 163 (1) of the Companies Act, 1956 the Register and Index of Members of the company and copies of all the Annual Returns prepared by the company under section 159 of the Companies Act, 1956 together with copies of all certificates and documents required to be annexed thereto under Section 161 or any one or more of them be kept at the office of the Company's Registrar and Share Transfer Agent. Presently the company's Registrar & Share Transfer Agent is 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.

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 Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business set above to be transacted at the meeting is annexed hereto and forms part of this notice.
3. 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.
4. As a measure to save the cost, copies, of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of annual report to the meeting.



Upsurge Investment & Finance Ltd.

5. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries at least seven days before the date of the meeting of the Company so that the information required may be made available at the meeting.
6. **Re-appointment of Director:**
Mr. Dinesh Vijayvargia is a qualified Chartered Accountant. He has more than 17 (seventeen) years of experience in Corporate World especially in Taxation, Management and Accounts.
Directorship in Other Companies: Nil
7. 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.
8. Members are requested to bring their Attendance slip sent herewith duly filled for attending the Meeting.
9. Members are requested to notify immediately any change in their address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the company or to its Share Transfer Agents M/s Sharex Dynamic (India) Pvt. Ltd. Unit 1, Luthra Ind. Premises, 1st floor, 44-E, M Vasanti Marg, Andheri Kurla road, Safed pool, Andheri (East), Mumbai- 400 072 in respect of their holdings in physical form.
10. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
11. The register of members and the share transfer books will remain closed from Wednesday the 3rd August 2011 to Monday the 8th August 2011 (Both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 4

As per section 163(1) of the Companies Act, 1956 certain registers and documents which are required to be kept at the registered office of the Company could be kept at a place other than the registered Office of the Company, provided such other place has been approved by the members by way of Special Resolution. Hence the approval of the members is sought in terms of Section 163(1) of the Companies Act 1956 for keeping the aforementioned registers and documents at the office of the Registrar and Share Transfer Agent as stated in the resolution. Your directors recommend the resolution as proposed in the notice for member's approval.

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: 27th June 2011



Upsurge Investment & Finance Ltd.

REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION ANALYSIS

To the Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31st March 2011.

FINANCIAL RESULTS

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

(Rs. In Lacs)

	Year Ended 31.03.2011	Year Ended 31.03.2010
Total Income	2153.92	2061.27
Profit before Depreciation and Tax	8.94	11.58
Less: Depreciation	3.18	3.52
Profit before Tax	5.76	8.06
Less: Provision for Income Tax	Nil	Nil
Profit after Tax	5.76	8.06
Balance brought forward from previous years	(55.21)	(61.66)
Transfer to Statutory Reserve	1.16	1.61
Balance carried to Balance Sheet	(50.61)	(55.21)

DIVIDEND

In view of insufficient profit, the directors do not recommend any dividend for the year ended 31st March, 2011.

PERFORMANCE

The financial year 2010-11 was one in which both the world as well as the Indian economy showed resilience. While the global economy rebounded amidst fears of a double-dip recession, the Indian economy surged ahead on the back of its strong fundamentals. There were and are concerns that cannot be ignored: high inflation and shortage of liquidity in India; the aftermath of the dreadful earthquake and tsunami in Japan; sovereign debt crisis in several countries in the EU; and uprisings in the Middle East and the impact on oil prices. These have had and continue to have an impact on the business environment. However in this scenario Company has still maintained its profitability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE & DEVELOPMENT

The global economy staged a remarkable rebound in the last financial year reducing the fears of a double-dip recession that some had forecast in 2009. The recovery was aided by the continuation of stimulus measures adopted during 2008-09 by developed as well as emerging economies including India. Increased liquidity in the developed economies impacted sentiment and boosted consumption as well as investment. However, globally, the year was also characterized by periods of high uncertainty. Short term policy interventions by the concerned governments did help to avert a crisis situation but a lot still needs to be done for any significant improvement in the financial conditions of some of these countries.

The Indian economy is well on its way to regaining the high growth momentum seen in the period immediately prior to the economic meltdown of 2008. Advance estimate suggest that real Gross Domestic Product (GDP) growth will be 8.6% in 2010-11.



Upsurge Investment & Finance Ltd.

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 regulatory changes in NBFCs, Interest Rate hikes by RBI, high Inflation, aggressive marketing of banks and volatility in global equity and commodity market.

C. RISKS AND CONCERNS

The overall economic outlook for risk appears to be positive but challenging for the year 2011-2012. With early forecast predicting a normal monsoon in 2011-12, the Company expects the Indian economy to perform well. However there are certain risk that can impact the performance of the Company viz the turmoil in the Middle East and North African region which has already affected the growth and inflation globally. Specific to India, factors like power shortages increase in labour cost and transportation cost could also contribute to inflation. Reserve Bank of India (RBI) has announced a series of rate hikes in FY 2010-11 and more hikes are expected in FY 2011-12 in a bid to control the spiral inflation. The relative importance of each of these parameters (qualitative and quantitative) can vary across companies, depending upon its potential to change the overall risk profile of the Company concerned.

D. OUTLOOK

We persisted with our mission of building strengths and capabilities for the future which will help us achieve long term market growth. While there is still some nervousness about the global economy, India seems firmly set on the growth path. Consumer demand is strong, exports are rising and investment is picking up. Most important, the macro-fundamentals of our economy are sound despite factors like high inflation. The business outlook for the company is promising with improvement in overall economic environment. The Company is proactively responding to the changing business environment.

E. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Company has a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets, and that the transactions are authorized, recorded and reported correctly.

The audit committee of the Board of Directors reviews the adequacy of internal controls.

F. HUMAN RESOURCES

The Company gives importance to human resources and tries to maximize their potential for benefits of all concerns.

G. CAUTIONARY NOTE

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

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.



Upsurge Investment & Finance Ltd.

SUBSIDIARIES

The company has one wholly owned subsidiary viz. Upsurge Shares & Securities Pvt Ltd. This is non material Indian unlisted subsidiary of the company.

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

During the year under review, the company has allotted 60 lacs warrants, convertible into equivalent equity shares having face value of Rs.10/- each to the promoters and others on preferential basis which were converted into equity shares of Rs.10/- each fully paid up

DIRECTORS

Mr. Dinesh Vijayvargia 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.

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, 2011, 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 profit 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 2011 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.



Upsurge Investment & Finance Ltd.

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) The Company does not have any foreign exchange earnings and outgo.

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 27th June 2011



Upsurge Investment & Finance Ltd.

REPORT ON CORPORATE GOVERNANCE

PHILOSOPHY ON CORPORATE GOVERNANCE CODE

Your Company is committed to the principles of good business practices, transparency in its dealing, compliance of law, adherence to ethical standards and to have a better rapport with the client and shareholders. Above all your company has always endeavored to maximize the shareholders value and to protect the interest of stakeholders.

BOARD OF DIRECTORS

Composition:-

As on 31st March 2011 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 9 (nine) times during the year 2010 - 2011, on 28th April 2010, 4th August 2010, 14th September 2010, 17th September 2010, 6th October 2010, 29th October 2010, 16th December 2010, 28th January 2011 and 15th March 2011.

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	9	Yes	Nil	Nil	Nil
B.K.Goyal	Non Executive, Non Independent	Brother of D.K.Goyal	9	Yes	Nil	Nil	Nil
Dinesh Vijayvargia	Non Executive, Independent	***	9	Yes	Nil	Nil	Nil
Hansraj Goyal	Non Executive, Independent	***	9	Yes	Nil	Nil	Nil

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



Upsurge Investment & Finance Ltd.

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.

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

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

During the financial year 2010-11, Five (5) Audit Committee meetings were held as under- 28th April 2010, 4th August 2010, 17th September 2010, 29th October 2010, and 28th January 2011.

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 Director Finance 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, Non Independent, Non Executive



Upsurge Investment & Finance Ltd.

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

Meetings and attendance

During the financial year 2010-11, a Remuneration Committee Meeting was held on 24th April, 2010 that was attended by all the members of the committee.

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 18th September 2007.

The Remuneration Committee decides the remuneration payable to Mr. D.K.Goyal considering the performance of the Company, his contribution and 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 Processes as well as 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 Director of the Company as on 31st March 2011

Name of the Director	Nature of Directorship	No. of Shares held	Percentage to the paid up Capital
B.K.Goyal	Non Executive, Non Independent	60,000	0.40

Details about Remuneration paid to Managing Director in 2010-11 is as follows:

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



Upsurge Investment & Finance Ltd.

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

Schedule 'P' 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.

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, Executive, Non Independent
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.

During the financial year 2010-11, Two (2) Finance Committee Meetings were held as under- 4th August, 2010 and 16th December, 2010 that were attended by all the members of the committee.

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 2011 the committee met twice on 15th April 2010 and 15th October 2010 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.

Ms. Swati Dhoundiyal, Company Secretary is the Compliance officer of the Company.

There were no investor's complaints during the year under review.

Share Transfer Committee

During the financial year 2010-11, 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.



Upsurge Investment & Finance Ltd.

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

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

SUBSIDIARY COMPANIES

The Statement of your Company's Interest in its only subsidiary, Upsurge Shares & Securities Pvt. Ltd. as at 31st March 2011 prepared in accordance with the provisions of Section 212 (3) of the Companies Act, 1956 is attached to the Balance Sheet.

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
2007-2008	Office No.9, 3 rd Floor, 7/10, Botawala Building, Horniman Circle, Fort, Mumbai – 400 001	24 th September, 2008	10 a.m.
2008-2009	Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (west), Mumbai- 400 053	29 th September, 2009	10 a.m.
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.

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

During the year ended 31st March 2011, 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 Schedule 'P' of the Notes to the Accounts as stipulated under Accounting Standards 18 (As-18), with the Promoters, Directors or the Management, their subsidiaries



Upsurge Investment & Finance Ltd.

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.

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.

The Company has utilized the fund raised through preferential issue for expansion of company's existing business as per the object stated in the explanatory statement attached with the notice for issue of warrants convertible into Equity Shares.

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 2010-11. A declaration signed by the managing director of the company forms part of the report.



Upsurge Investment & Finance Ltd.

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.

Re-appointment of Director

Retiring director is Shri. Dinesh Vijayvargia, being eligible, has offered their 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 :	Monday 8 th August 2011, at 10.00 A.M
Venue :	Kailash Parbat, 7A/8A, A wing Crystal Plaza, New link Road Andheri (west), Mumbai-400053

Financial Calendar:

Financial year: 1st April to 31st March

For the year ended 31st March 2011, results were announced on:

4 th August 2010	First Quarter
29 th October 2010	Second Quarter
28 ^h January 2011	Third Quarter
5 th May 2011	Fourth Quarter

For the year ending 31st March 2012, results will be announced as per the tentative schedule below

2 nd week of August 2011	First Quarter
2 nd week of November 2011	Second Quarter
2 nd week of February 2012	Third Quarter
2 nd week of May 2012	Fourth Quarter

Book Closure:

The dates of book closure are from Wednesday 3rd August 2011 to Monday 8th August 2011.

Dividend:

The company has not declared any dividend for the year ended 31st March 2011.



Upsurge Investment & Finance Ltd.

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 2011-12 to the Stock Exchange on which Company's shares are listed. The Company has also paid custodial fees for the year 2011-12 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

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 2011 are given as follows:

Months	High (Rs.)	Low (Rs.)
April 2010	16.28	9.19
May 2010	17.00	9.55
June 2010	12.45	9.56
July 2010	10.70	8.10
August 2010	15.36	9.30
September 2010	16.23	9.70
October 2010	20.10	13.50
November 2010	21.10	15.20
December 2010	17.50	13.90
January 2011	20.85	13.85
February 2011	17.15	13.05
March 2011	20.25	14.00

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



Upsurge Investment & Finance Ltd.

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.

Distribution of Share Holding as at 31st March, 2011

Shareholding of Nominal Value of Rs.	Share holders		Share holdings	
	Number	%	No. of Shares	%
Up to 5000	2157	78.72	412380	2.72
5001 – 10000	220	8.03	193781	1.28
10001 – 20000	131	4.78	211222	1.40
20001 – 30000	48	1.75	127938	0.84
30001 – 40000	30	1.10	105487	0.70
40001 – 50000	25	0.91	119289	0.79
50001 – 100000	50	1.83	367213	2.42
100001 & above	79	2.88	13615090	89.85
Total	2740	100.00	15152400	100.00

Share holding Pattern as on March 31, 2011

Categories	No of Shares	% of Holding
Promoters	4441810	29.31
Private Corporate Bodies	400799	2.65
Residential Individual	10257041	67.69
NRI's/ OCBs	51850	0.34
Mutual Fund/FII's	900	0.01
Total	15152400	100.00

Dematerialization of Shares:

96.69% of the equity shares have been Dematerialized upto 31st March 2011

Break up of shares in physical and demat form as on 31st March 2011 is as follows:

	No. of Shares	% of Shares
Physical Segment	501101	3.31
Demat Segment		
NSDL	3930453	25.94
CDSL	10720846	70.75
Total	15152400	100.00

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

The Company does not have any Outstanding GDR's /ADRs /Warrants/ Convertible Instruments as on 31st March 2011.



Upsurge Investment & Finance Ltd.

Annexure to Report on Corporate Governance for the year ended 31st March 2011

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 2011.

D. K. GOYAL

Managing Director

Mumbai, 27th June 2011

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 2011, 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 31.03.2011 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.**
Firm Reg No. 100986W
Chartered Accountants

MANOJ KUMAR AGARWAL
Partner
M. No. 107624

Mumbai, 27th June 2011



Upsurge Investment & Finance Ltd.

AUDITORS' REPORT

To the Members of
Upsurge Investment & Finance Ltd.

1. We have audited the attached Balance Sheet of “**UPSURGE INVESTMENT & FINANCE LTD.**” as at 31st March 2011 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in paragraph 1 above, 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, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956
 - e. On the basis of written representation received from the directors of the company and taken on record by the Board of Directors, none of the directors of the company is prime facie as at 31.03.2011 disqualified from being appointed as director of the company under section 274 (1) (g) of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon, give the information as required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) In the case of Balance Sheet of the state of affairs of the company as at 31st March 2011.
 - ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

MANOJ KUMAR AGARWAL
Partner
M. No.107624

Mumbai, 27th June 2011



Upsurge Investment & Finance Ltd.

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts of "UPSURGE INVESTMENT & FINANCE LTD." For the year ended 31st March 2011.

1. (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.
2. (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 stock of shares and securities as compared to book records.
3. During the year under reference the company has not granted or taken any loans, secured or unsecured to/from Companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956.
4. 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 & Securities) and services.
5. (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 lakhs Rupees in respect of any party during the year.
6. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the 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.
7. The Company has an internal audit system commensurate with the size of the company and nature of its business.
8. The maintenance of cost records under Section 209 of the Companies Act, 1956 is not applicable to the Company



Upsurge Investment & Finance Ltd.

9. (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 2011, 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.
10. As per records of the Company, the accumulated losses of the Company are not more than fifty percent of its net worth as on 31st March 2011. The company has not incurred any cash losses during the financial year as well as in the immediately preceding financial year.
11. The Company has availed of overdraft facilities against the lien of its own fixed deposits with Banks. During the year under reference the company has not defaulted in repayment of its dues in this regard.
12. The company has maintained adequate records where the company during the year has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi/ mutual benefit fund or a society.
14. 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.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions.
16. The Company has not raised any term loan during the year and hence clause 4(xvi) is not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March 2011, we report that the Company has not used funds raised on short-term basis for long-term investment.
18. The Company has made a preferential allotment of shares to a company covered in the Register maintained under Section 301 of the Companies Act, during the year. However the price at which the shares have been so issued is not prejudicial to the interest of the company.
19. During the year covered by our audit report the Company has not issued any debenture.
20. The Company has not raised any money by public issues during the year covered by our report.
21. 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.
Firm Reg No.100986W
Chartered Accountants

MANOJ KUMAR AGARWAL
Partner
M. No 107624

Mumbai, 27th June 2011



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, 2011.
 - 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.
Firm Reg No.100986W
Chartered Accountants

MANOJ KUMAR AGARWAL
Partner
M No. 107624

Mumbai, 27th June 2011



Upsurge Investment & Finance Ltd.

Balance Sheet as at 31st March 2011

Particulars	Sch.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
I Sources of Funds			
Shareholders funds:			
(a) Capital	A	151,524,000	91,524,000
(b) Reserves & Surplus	B	<u>61,749,485</u>	<u>55,172,926</u>
TOTAL		<u>213,273,485</u>	<u>146,696,926</u>
II Application of funds			
(I) Fixed assets:			
(a) Gross Block	C	3,492,851	4,130,791
(b) Less: Depreciation		<u>1,124,680</u>	<u>1,573,494</u>
(c) Net Block		2,368,171	2,557,297
(2) Investments	D	20,382,430	14,430,650
(3) Current assets, loans & advances			
(a) Inventories	E	53,988,559	52,857,195
(b) Sundry debtors	F	380,716	2,012,225
(c) Cash & Bank Balances	G	112,460,428	44,986,403
(d) Loans & Advances	H	<u>72,071,295</u>	<u>41,091,162</u>
		238,900,998	140,946,985
Less:			
Current liabilities & provisions			
(a) Current Liabilities	I	48,073,114	11,085,006
(b) Provisions		<u>305,000</u>	<u>153,000</u>
		48,378,114	11, 238,006
Net Current Assets		190,522,884	129,708,979
TOTAL		<u>213,273,485</u>	<u>146,696,926</u>
Significant Accounting Policies & Notes on Accounts	P		
As per our report of even date For Bansal Bansal & Co. Firm Reg No. 100986W Chartered Accountants		For and on behalf of the Board of Directors	
MANOJ KUMAR AGARWAL Partner M.No. 107624	D.K.GOYAL Managing Director	B.K.GOYAL Director	
		SWATI DHOUDIYAL Company Secretary	
Mumbai, 27 th June 2011			



Upsurge Investment & Finance Ltd.

Profit & Loss account for the year ended 31st March 2011

Particulars	Sch.	Year ended 31.03.2011 Rs.	Year ended 31.03.2010 Rs.
INCOME			
Sales & Operational Income	J	214,253,946	191,737,293
Increase in Stock	K	1,131,364	14,376,868
Other Income	L	6,609	12,900
TOTAL		215,391,919	206,127,061
EXPENDITURE			
Purchases & Other Expenses	M	208,966,289	199,349,541
Employees Emoluments	N	2,404,403	1,668,707
Administrative and other Expenses	O	3,126,822	3,951,229
Depreciation	C	317,936	351,583
TOTAL		214,815,450	205,321,060
Profit before Tax		576,469	806,001
Provision for taxation		-	-
Profit after Tax		576,469	806,001
Excess provision of Income tax for earlier years		90	-
Balance brought forward from previous year		(5,521,406)	(6,166,207)
Transfer to Statutory Reserve		116,000	161,200
Balance carried to balance sheet		(5,060,847)	(5,521,406)
Earning per equity share of Rs. 10/- each (in Rs.)		0.05	0.09
Significant Accounting Policies & Notes on Accounts	P		
As per our report of even date			
For Bansal Bansal & Co.	For and on behalf of the Board of Directors		
Firm Reg No. 100986W			
Chartered Accountants			
MANOJ KUMAR AGARWAL	D.K.GOYAL	B.K.GOYAL	
Partner	Managing Director	Director	
M.No. 107624			
	SWATI DHOUDIYAL		
	Company Secretary		
Mumbai, 27 th June 2011			



Upsurge Investment & Finance Ltd.

Schedules forming part of the Balance Sheet as at 31st March, 2011

		As at 31.03.2011 Rs.	As at 31.03.2010 Rs.							
Schedule: 'A' Capital										
Authorised:		152,500,000	92,500,000							
152,500,00 (Previous Year 92,50,000) Equity shares of Rs. 10/- each										
Issued, Subscribed & Paid up :		151,524,000	91,524,000							
151,52,400 (Previous year 91,52,400) Equity Shares of Rs. 10/- each Fully paid Up		151,524,000	91,524,000							
Schedule: 'B' Reserves & Surplus										
General Reserve		365,132	365,132							
Share Premium		66,000,000	60,000,000							
Statutory Reserve										
Opening balance		329,200	168,000							
Add: Transfer from Profit & Loss Account		116,000	161,200							
		445,200	329,200							
Profit & Loss Account										
Balance Carried forward		(5,060,847)	(5,521,406)							
		61,749,485	55,172,926							
Schedule: 'C' Fixed Assets										
Assets	Gross Block				Depreciation			Net Block		
	As at 01.04.10	Addition during the year	Deletion during the year	As at 31-03-11	Upto 01.04.10	For the Year	Adjust in Deletion of Assets	As at 31.03.11	As at 31-03-11	As at 31-03-10
Land	567,040	-	-	567,040	-	-	-	-	567,040	567,040
Furniture & Fixtures	847,409	111,660	573,100	385,969	558,616	47,579	573,100	33,095	352,874	288,793
Office Equipment	195,021	17,150	-	212,171	65,658	9,801	-	75,459	136,712	129,363
Computers	975,569	-	153,150	822,419	493,845	123,555	153,150	464,250	358,169	481,724
Air Conditioner	153,500	-	-	153,500	94,778	7,291	-	102,069	51,431	58,722
Motor Car / Scooter	1,392,252	-	40,500	1,351,752	360,597	129,710	40,500	449,807	901,945	1,031,655
Total	4,130,791	128,810	766,750	3,492,851	1,573,494	317,936	766,750	1,124,680	2,368,171	2,557,297
Previous Year	3,820,582	310,209	-	4,130,791	1,221,911	351,583	-	1,573,494	2,557,297	2,598,671



Upsurge Investment & Finance Ltd.

	As at 31-03-2011		As at 31-03-2010	
	Cost Unquoted Rs.	Cost Quoted Rs.	Cost Unquoted Rs.	Cost Quoted Rs.
Schedule: 'D' Investments				
Long term Investments				
Non Trade –Equity Shares				
Yash Management & Satellite Ltd. (1440000 Shares (Previous Year 1150000 Shares))	-	17,789,124	-	13,923,650
The Bharat Co-Operative Bank (Mumbai) Ltd. (50000 Shares (Previous Year 50000 Shares))	500,000	-	500,000	
In Subsidiary				
Upsurge Shares & Securities Pvt. Ltd. (50,000 Shares (Previous Year Nil))	500,000	-	-	-
Non Trade-Bonds /Debentures				
Shriram Transport Finance Ltd NCD-1 (400 Non Convertible Debentures (Previous Year Nil))	-	410,616	-	-
Shriram Transport Finance Ltd NCD-9 (1150 Non Convertible Debentures (Previous Year Nil))	-	1,175,690	-	-
India Hotels Company Ltd. (70 Non Convertible Debentures (Previous Year 70))	-	7,000	-	7,000
	<u>1,000,000</u>	<u>19,382,430</u>	<u>500,000</u>	<u>13,930,650</u>
Notes:				
	As at 31-03-2011		As at 31-03-2010	
	Cost (Rs.)	Market value (Rs.)	Cost (Rs.)	Market value (Rs.)
Aggregate of Investments				
(i) Quoted Investments	19,382,430	18,138,798	13,930,650	9,517,679
(ii) Unquoted Investments	1,000,000	-	500,000	-
	<u>20,382,430</u>		<u>14,430,650</u>	
Schedule: 'E' Inventories				
Closing Stock of Shares (Valued at cost or market value whichever is lower)			<u>53,988,559</u>	<u>52,857,195</u>
Schedule: 'F' Sundry Debtors (Unsecured Considered good)				
Exceeding six months			-	-
Other debts (less then six months)			380,716	2,012,225
			<u>380,716</u>	<u>2,012,225</u>



Upsurge Investment & Finance Ltd.

	As at 31-03-2011 Rs.	As at 31-03-2010 Rs.
Schedule: 'G' Cash & Bank Balances		
a) Cash in Hand	297,505	419,968
b) Cash in Bank		
i) With scheduled banks in current account	10,114	2,603,016
ii) With scheduled banks in overdraft account	459,220	1,318,100
iii) With scheduled banks in deposit account	111,693,589	40,645,319
(FDR Receipts is lodged with respective banks as security for overdraft facility)	<u>112,460,428</u>	<u>44,986,403</u>
Schedule: 'H' Loans & Advances		
I. Unsecured (Considered good)		
a) Loans and advances (recoverable in cash or in kind or for value to be received)	68,239,599	37,692,156
b) Income tax payment less provisions	1,831,696	1,399,006
c) Deposits		
Other Deposits	1,000,000	1,000,000
2. Unsecured (Considered doubtful)		
Loans & Advances	1,000,000	1,000,000
	<u>72,071,295</u>	<u>41,091,162</u>
Schedule: 'I' Current Liabilities & Provisions		
Liabilities		
Sundry Creditors		
Due to Micro and small enterprises	-	-
Other than due to micro and small enterprises	101,325	78,972
Other Liabilities		
	47,971,789	11,006,034
	<u>48,073,114</u>	<u>11,085,006</u>
Provisions		
For Income Tax & FBT	131,000	153,000
For Standard Assets	174,000	-
	<u>305,000</u>	<u>153,000</u>

Schedule forming part of Profit & Loss Account for the year ended 31st March 2011

	Year ended 31-03-2011 Rs.	Year ended 31-03-2010 Rs.
Schedule: 'J' Sales & Operating Income		
Sales of Shares & Securities	203,945,385	184,320,961
Interest income (net) (TDS Rs. 484,824/- previous year Rs. 3,61,600/-)	9,594,208	6,710,049
Dividend Income	364,106	514,570
Profit from trading activities	171,787	191,713
Profit from Stock futures	178,460	-
	<u>214,253,946</u>	<u>191,737,293</u>
Schedule: 'K' Increase in stock		
Closing Stock	53,988,559	52,857,195
Less: Opening Stock	52,857,195	38,480,327
	<u>1,131,364</u>	<u>14,376,868</u>
Schedule: 'L' Other Income		
Brokerage received	2,098	4,422
Profit on sale of Fixed assets	4,511	-
Short term profit on Mutual Funds	-	8,478
	<u>6,609</u>	<u>12,900</u>



Upsurge Investment & Finance Ltd.

	Year ended 31-03-2011 Rs.	Year ended 31-03-2010 Rs.
Schedule: 'M' Purchases & Other expenses		
Purchases of Shares & Securities	208,299,198	198,260,624
Demat Charges	17,989	17,144
Transaction and service charges	128,577	122,116
Securities Transaction Tax	520,525	866,908
Loss from Stock futures	-	82,749
	208,966,289	199,349,541
Schedule: 'N' Employess Emoluments		
Salary, Wages, Bonus etc.	2,200,029	1,521,099
Staff Welfare	204,374	147,608
	2,404,403	1,668,707
Schedule: 'O' Administrative & Other expenses		
Electricity Charges	170,209	89,935
Rent	336,000	217,000
Repairs and maintenance- Building	-	-
Others	29,295	29,990
Legal & Professional charges	419,009	223,097
Auditors' Remuneration	82,725	82,725
Travelling & Conveyance	359,733	335,389
Listing fees & Charges	88,240	134,670
Bad Debts	-	1,606,778
Miscellaneous & Other Expenses	1,467,611	1,231,645
Provision for Standard Assets	174,000	-
	3,126,822	3,951,229



Upsurge Investment & Finance Ltd.

SCHEDULE: 'P' SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies:

1. Basis of Preparation of Financial Statements:

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting and comply with the provisions of the Companies Act, 1956.

The preparation of financial statements is in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amount of asset and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date. The estimates and assumptions used in these financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of financial statements.

2. Accounting of Income/Expenditure:

- i) All income and expenditure items having a material bearing on the financial statements are recognized on accrual basis except as stated otherwise.
- ii) Dividend income received from trading securities is accounted for on receipt basis
- iii) Gratuity and retirement benefits for employees are accounted for on payment basis.

3. Fixed Assets & Depreciation:

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

4. Investments:

Investments are stated at cost. Provision for diminution in the value of Investments is made only if such a decline is other than temporary in the opinion of the management. All the investments are Long term.

Profit or loss on sale of investment is determined on first in-first-out (FIFO) basis.

5. Stock in Trade:

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.

6. Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets. On timing differences, being the difference between taxable incomes and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

7. Loans and Advances

Loans and advances granted by the company are repayable on demand. Hence the same are not classified between different categories.

8. Provisioning of Assets

Provision on Standard assets is made as per the notification DNBS.PD.CC.No.207/03.02.002/2010-11 issued by Reserve Bank of India.



Upsurge Investment & Finance Ltd.

B Notes on Accounts

1. For the purpose of calculating market value of closing stock of shares where quotations are not available on the last day of the year, the latest available quotations are taken as the market value. And in case of delisted shares the same are valued at Nil. Stock in trade has been verified, valued and certified by the management.
2. Interest receivable/payable on excess/short payment of income tax as well as other taxes/duties is accounted for on completion of assessment. Similarly any income/expenditure resulting from any judicial pronouncement is accounted for at the time of such pronouncement.
3. Purchases/sale of shares and securities are accounted for inclusive of brokerage but exclusive of turnover charges, service tax and stamp duty which have been debited to other charges on securities.
4. As on 31st March 2011, the Company does not have any employees to whom gratuity or any retirement benefits are payable.
5. The Company has not prepared consolidated financial statements (CFS) as required by the AS21, since the transactions of subsidiary during the year/ its assets and liabilities are not material.
6. Basic and Diluted Earnings Per Share:

		31 st March 2011	31 st March 2010
a)	Profit /(loss) after tax as per P & L (Rs)	576,469	806,001
b)	Weighted average number of Equity Shares (Nos.)	12061989	9152400
c)	Earning Per Share (Rs.)	0.05	0.09

7. 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.
8. The Company has utilized the fund raised through preferential issue for expansion of company's existing business as per the object stated in the explanatory statement attached with the notice for issue of warrants convertible into Equity Shares.
9. Deferred Taxation:
The company has carried forward Losses under taxes Laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax assets has not been recognized by way of prudence in accordance with Accounting Standard (AS22) "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India.
10. Related party Disclosure:
List of related parties with whom transactions have taken place:

(i) Particulars of Associates Companies

Name of Related Party	Nature of Relationship
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.

(iii) Transactions during the year with related parties.

(Rs. In Lakhs)

Nature of Transaction	31 st March 2011		31 st March 2010	
	Associate Companies	Key Management Personnel	Associates Companies	Key Management Personnel
Expenditure				
Rent paid	3.36	-	2.17	-
Salary	-	4.80	-	4.20

11. The policy of provisioning against Non-Performing Loans and Advances has been decided by the management considering prudential norms issued by the Reserve Bank of India for Non Banking Financial Companies except that the amount recovered subsequent to the Balance Sheet date have not been considered for provisioning.
12. There are no amounts due to small-scale industries in terms of “The Micro, Small & Medium Enterprises Development Act, 2006.”
13. Interest income is shown net of interest paid to bank Rs. 23,43,579/- (Previous Year Rs. 632,767/-).
14. Balances of some of the sundry debtors, loans & advances and sundry creditors are subject to confirmation and resultant reconciliation if any.
15. No provision for Loans and advances considered doubtful amounting to Rs.10,00,000/- (Previous Year Rs.10,00,000/-) has been made in the books of accounts, since the Company’s Management is of the opinion that the debts are fully recoverable.
16. In the opinion of the management the Current Assets, Loans & Advances have not less than the value stated in the Balance Sheet if realized in the ordinary course of business unless otherwise stated.
17. Directors Remuneration of Rs. 480,000/- P.A. (Previous Year Rs.420,000/- P.A.) paid to Managing director include.

Particulars	31 st March 2011	31 st March 2010
	(Rs)	(Rs)
Basic Remuneration	240,000	232,200
Allowances	240,000	187,800
Perquisites	-	-
Seating Fess	-	-
Commission	-	-
Total	480,000	420,000



Upsurge Investment & Finance Ltd.

18. Payment to Auditors includes:-

		31 st March 2011 (Rs.)	31 st March 2010 (Rs.)
i)	For Audit Fees	50,000	50,000
ii)	For Tax Audit	25,000	25,000
lii)	Service Tax	7,725	7,725
Total		82,725	82,725

19. Additional information pursuant to part II of schedule VI to the Companies Act, 1956 :-
Details of Trading Activity in shares:-

		No. of Shares		Value	
		31-03-2011 (Qty)	31-03-2010 (Qty)	31-03-2011 (Rs.)	31-03-2010 (Rs.)
a)	Opening Stock	19,89,170	24,95,386	52,857,195	38,480,327
b)	Purchases	56,24,313	45,86,061	208,299,198	198,260,624
c)	Sales	52,10,377	50,92,277	203,945,385	184,320,961
d)	Closing Stock	24,03,106	19,89,170	53,988,559	52,857,195

20. Previous Year Figures have been regrouped / rearranged / rectified / reclassified / wherever necessary.

Signature to Schedule A to P
As per our report of even date
For Bansal Bansal & Co.
Firm Reg No. 100986W
Chartered Accountants

For and on behalf of the Board of Directors

MANOJ KUMAR AGARWAL
Partner
M.No.107624

D.K.GOYAL
Managing Director

B.K.GOYAL
Director

SWATI DHOUNDIYAL
Company Secretary

Mumbai, 27th June 2011



Upsurge Investment & Finance Ltd.

Balance sheet abstract and company's general business profile as per schedule VI, part (IV) of the Companies Act, 1956.

I REGISTRATION DETAILS

Registration No. State Code
Balance Sheet Date
Date Month Year

II CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousand)

Public Issue Right Issue
Bonus Issue Private Placement

III POSITION OF MOBILISATION DEPLOYMENT OF FUNDS (Rs. In Thousands)

Total Liabilities Total Assets
Sources of Funds
Paid up Capital Reserves & Surplus
Secured Loan Unsecured Loan

APPLICATION OF FUNDS

Net Fixed Assets Investments
Net Current Assets Misc Expenditure

IV PERFORMANCE OF THE COMPANY (Rs. In Thousands)

Total Income Total Expenditure
Net Profit / (Loss) before tax Net Profit / (Loss) after tax
Earning per share (Rs) Dividend Rate (%)

V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF COMPANY

(as per Monetary Terms)

Item Code No.

Product Description

As per our report of even date
For Bansal Bansal & Co.
Firm Reg No. 100986W
Chartered Accountants

MANOJ KUMAR AGARWAL
Partner
M.No.107624

For and on behalf of the Board of Directors

D.K.GOYAL **B.K.GOYAL**
Managing Director Director

SWATI DHOUDIYAL
Company Secretary

Mumbai, 27th June 2011



Upsurge Investment & Finance Ltd.

Schedule appended to the Balance Sheet of Non Banking Financial Company (as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998) (Rs. In Lacs)

Liability Side		Current Year		Previous Year	
S. No.	Particulars	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(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 deposit)	-	-	-	-
	(b) Deferred Credit				
	(c) Term Loans	-	-	-	-
	(d) Inter-Corporate Loans and Borrowing	-	-	-	-
	(e) Commercial Paper	-	-	-	-
	(f) Public Deposit	-	-	-	-
	(g) Other Loans	-	-	-	-
(2)	Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)				
	(a) in the form of Unsecured Debentures				
	(b) In the Form of partly secured debentures	-	-	-	-
	(c) Other public deposits	-	-	-	-

Assets Side		Current Year	Previous Year
S. No.	Particulars	Amount Outstanding	Amount Outstanding
(3)	Break up of Loans and advances including bills receivable (other than those included in (4) below)		
	(a) secured	-	-
	(b) unsecured	720.71	410.91
(4)	Break up of Leased Assets and Stocks on hire and Hypothecation loans counting towards EL/HP activities		
	I Lease Assets including lease rentals under sundry debtors		
	(a) Financial Lease	-	-
	(b) Operative Lease	-	-
	II Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	III Hypothecation Loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-



Upsurge Investment & Finance Ltd.

(5)	Break up of Investments: (Net of Provision for diminution)		
	Current Investments		
	1. Quoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	Long Term Investments		
	1. Quoted		
	i. Shares (a) Equity	177.89	139.24
	(b) Preference	-	-
	ii. Debentures and Bonds	15.93	0.07
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	10.00	5.00
	(b) Preference	-	-
	ii. Debentures and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	Total	203.82	144.31

(6) Borrower group-wise classification of all leased assets, stock-on hire and loans and advances (including other current assets (Amount net of Provision))

Category	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2) Other than related parties	-	720.71	720.71	-	410.91	410.91
Total	-	720.71	720.71	-	410.91	410.91



Upsurge Investment & Finance Ltd.

- (7) Investor group-wise classification of all Investments (current and long term) in shares and securities (both quoted and unquoted)

Category	Current Year		Previous Year	
	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)
1) Related Parties				
a) Subsidiaries	5.00	5.00	-	-
b) Companies in the same group	-	-	-	-
c) other related parties	-	-	-	-
2) Other than related parties	186.39	198.82	100.18	144.31
Total	191.39	203.82	100.18	144.31

- (8) Other Information

	Current Year	Previous Year
I) Gross Non- Performing Assets		
a) Related Parties	-	-
b) Other than Related parties	10.00	10.00
II) Net Non- Performing Assets		
a) Related Parties	-	-
b) Other than Related parties	10.00	10.00
III) Assets acquired in satisfaction of debt	-	-

For and on Behalf of the Board of Director

D.K. GOYAL
GOYAL
Managing Director

B.K.
Director

Mumbai, 27th June 2011

SWATI DHOUNDIYAL
Company Secretary



Upsurge Investment & Finance Ltd.

Cash Flow Statement for the year ended 31st March, 2011

(Amount in Rs)

A	CASH FLOW FROM OPERATING ACTIVITIES	Year ended 31 st March, 11	Year ended 31 st March, 10
	Net profit before tax and extraordinary items	576,469	806,001
	Adjustment for		
	Depreciation	317,936	351,583
	Provision for Standard Assets	174,000	-
	Profit on sale of fixed assets	(4,511)	-
	Operating Cash Profit before working capital changes	1,063,894	1,157,584
	Adjustments		
	1. Trade & other receivable	(29,348,624)	13,742,539
	2. Inventories	(1,131,364)	(14,376,868)
	3 Trade Payable	36,966,108	7,230,469
	Cash Generated from operation	7,550,014	7,753,724
	Excess Short provision of income tax / FBT for earlier years	90	-
	Cash flow before extraordinary items	7,550,104	7,753,724
	Net cash From operating activities (A)	7,550,104	7,753,724
	<u>B CASH FLOW FROM INVESTING ACTIVITIES:</u>		
	Purchase of Fixed assets	(128,810)	(310,209)
	Sale of Fixed Assets	4,511	-
	Purchase of Investments	(5,951,780)	-
	Net cash used in Investing Activities (B)	(6,076,079)	(310,209)
	<u>C CASH FLOW FROM FINANCING ACTIVITIES:</u>		
	Proceeds from Share capital	60,000,000	-
	Proceeds towards Share premium	6,000,000	-
	Net Cash from Financing Activities (C)	66,000,000	-
	Net Increase in cash and cash equivalents (A+B+C)	67,474,025	7,443,515
	Cash and cash equivalents as at (Opening Balance)	44,986,403	37,542,888
	Cash and cash equivalents as at (Closing Balance)	112,460,428	44,986,403
	Changes in Cash and Cash Equivalents	67,474,025	7,443,515

Notes:

1. Components of cash and cash equivalents include cash & bank balance as in current & deposit Accounts.
2. Interest has been considered part of operating activities of the Company.

For and on behalf of the Board of Directors

Mumbai, 27th June 2011

D.K.GOYAL
Managing Director

AUDITOR'S CERTIFICATE

We have examined the attached statement of Upsurge Investment & Finance Ltd. for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement clause 32 with the stock exchange and is based on an agreement with Profit & Loss Account and Balance Sheet of the Company covered by our report of 27th June, 2011, to the members of the Company.

As per our report of even date
For Bansal Bansal & Co.
Firm Reg No. 100986W
Chartered Accountants

MANOJ KUMAR AGRAWAL
Partner
M No. 107624

Mumbai, 27th June 2011



Upsurge Investment & Finance Ltd.

Statement pursuant to Section 212 of the Companies Act, 1956, related to the Subsidiary Company

Particulars	Upsurge Shares & Securities Pvt. Ltd.
1. Financial Year of the Subsidiary ended on	31 st March 2011
2. Shares of the Subsidiary held by the Company on the above date	
(a) Number & Face Value	50,000 Equity Shares of Rs. 10/- each
(b) Extent of Holding	100%
3. Net aggregate amount of Profit / (loss) of the Subsidiary so far as they concern members of Upsurge Investment & Finance Ltd.	
a) For the financial year of the Subsidiary	
(i) Dealt with the accounts of the Company for the year ended 31 st March 2011	NIL
(ii) Not dealt with the accounts of the Company for the year ended 31 st March 2011	778
b) For the previous financial year of the Subsidiary since it became a subsidiary	
(i) Dealt with the accounts of the Company for the year ended 31 st March 2010	Not Applicable*
(ii) Not dealt with the accounts of the Company for the year ended 31 st March 2010	Not Applicable*

* Incorporated on 19th July 2010 and accounts prepared for the year ended 31st March 2011 is the First Financial Statement prepared after Incorporation.

For and on behalf of the Board of Directors

D.K.GOYAL
Managing Director

Mumbai 27th June 2011

UPSURGE SHARES & SECURITIES PVT. LTD

DIRECTORS REPORT

To,
The Members,
Your Directors present the First Annual Report of the company together with the audited Accounts for the period ended 31st March 2011.

OPERATION

Your company has not carried on any business during the year under review.

SHARE CAPITAL

During the year under review Authorised Capital of the Company is Rs. 1, 00, 00,000/- (Rupees one crore only) divided into 10, 00, 000/-(ten lacs) Equity shares of Rs. 10 each. The issued, paid up and subscribed capital of the company is Rs. 5, 00,000/- (Rupees five lacs only) divided into 50,000/- (fifty thousand) Equity Shares of Rs. 10/- each.

Your company continuous to remain a wholly owned subsidiary of Upsurge Investment & Finance Ltd.

DIRECTORS

All the directors are appointed since incorporation; there is no change in the constitution of the Board of Director of the Company.

AUDITORS & AUDITORS REPORT

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.

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, 2011, 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 profit 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 2011 on a 'going concern' basis.

PUBLIC DEPOSIT

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

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) The Company does not have any foreign exchange earnings and outgo.

UPSURGE SHARES & SECURITIES PVT. LTD

PARTICULARS OF EMPLOYEES

Your Company has no Employee on its payroll and accordingly, the provisions of section 217(2A) of the companies Act, 1956 read with the companies (Particulars of employees) Rules 1975 are not applicable.

For and on behalf of the Board of Directors

D. K. GOYAL
Director

Mumbai, 27th June 2011

UPSURGE SHARES & SECURITIES PVT. LTD

AUDITORS REPORT

The Members,

Upsurge Shares & Securities Pvt. Ltd.

We have audited the attached Balance Sheet of Upsurge Shares & Securities Pvt. Ltd. as at 31st March, 2011 and also Profit & Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the Accounting principles used and significant estimates made by managements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. The Company is exempted from reporting on the matter specified in the companies (Auditors Report) order, 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 as per the clause (iv) of the said order.
3. Further to our comments in the Annexure referred to above we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge & 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 and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from directors of the company as on 31st March, 2011 and taken on record by the Board of directors, we report that none of the directors disqualified as on 31st March, 2011 from being appointed as a director of the Company under section 274 (1) (g) of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - ii In the case of the Profit and Loss Account, of the profit for the period ended on that date.

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

MANOJ KUMAR AGARWAL
Partner
M.No.107624

Mumbai, 27th June 2011

UPSURGE SHARES & SECURITIES PVT. LTD

Balance Sheet as at 31st March 2011

Particulars	Sch	As at 31.03.2011 Rs.
I Sources of Funds		
Shareholders funds:		
(a) Capital	“01”	500,000
(b) Reserves & Surplus	“02”	778
TOTAL		500,778
II Application of funds		
(1) Current assets, loans & advances		
Cash & Bank Balances	“03”	327,128
Less:		
Current liabilities & provisions	“04”	
Current Liabilities		5,000
Provisions		350
		5,350
Net Current Assets		321,778
(2) Miscellaneous Expenditure		
(To the extent not written of or adjusted)	“05”	179,000
TOTAL		500,778
Significant Accounting Policies & Notes on Accounts	“07”	
As per our report of even date		
For Bansal,Bansal & Co.	For and on behalf of Board of Directors	
Firm Reg No. 100986W		
Chartered Accountants		
MANOJ KUMAR AGARWAL	D.K. GOYAL	HANSRAJ GOYAL
Partner	Director	Director
M.No. 107624		
Mumbai, 27 th June 2011		

UPSURGE SHARES & SECURITIES PVT. LTD

Profit & Loss account for the year ended 31st March 2011

Particulars	Sch	Year ended 31.03.2011 Rs.
INCOME		
Interest received		7,788
TOTAL		7,788
EXPENDITURE		
Administrative and other Expenses	“06”	6,660
TOTAL		6,660
Profit before Tax		1,128
Provision for taxation		350
Profit after Tax		778
Balance carried to balance sheet		778
Significant Accounting Policies & Notes on Accounts	“07”	
As per our report of even date		
For Bansal Bansal & Co.	For and on behalf of Board of Directors	
Firm Reg No. 100986W		
Chartered Accountants		
MANOJ KUMAR AGARWAL	D.K. GOYAL	HANSRAJ GOYAL
Partner	Director	Director
M.No. 107624		
Mumbai, 27 th June 2011		

UPSURGE SHARES & SECURITIES PVT. LTD

Schedules forming part of the balance sheet as at 31st March 2011

	As at 31-03-2011 Rs.
Schedule: "01" Share Capital	
Authorised Capital	10,000,000
10,00,000 Equity Shares of Rs. 10/- each	<u>10,000,000</u>
Issued, Subscribed & Paid up Capital	
50,000 Equity Shares of Rs. 10/- each fully paid up	500,000
	<u>500,000</u>
Schedule: "02" Reserves & Surplus	
Profit & Loss Account	778
	<u>778</u>
Schedule: "03" Current Assets	
Cash & Bank Balance	
a) Cash in Hand	28,726
b) Balance with Scheduled Banks	
In Current Account	5,614
In Deposit Account	292,788
	<u>327,128</u>
Schedule: "04" Current Liabilities & Provisions	
Current Liabilities	
Sundry Creditors	5,000
	<u>5,000</u>
Provisions	
For Income tax (A.Y. 2011-12)	350
	<u>350</u>
Schedule: "05" Miscellaneous Expenditure	
(To the extent not written off or adjusted)	
Preliminary Expenses	179,000
	<u>179,000</u>
Schedules forming part of Profit & Loss account for the year ended 31st March 2011	
Schedule: "06" Administrative & Other Expenses	
Audit fees	5,000
Bank Charges	133
Conveyance	450
Legal Charges	210
Office Expenses	154
Printing & Stationary	713
	<u>6,660</u>

UPSURGE SHARES & SECURITIES PVT. LTD

SCHEDULE: “07”

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. Significant Accounting Policies Followed:

1. Basis of Preparation of Financial Statements:

- i. The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956, as adopted consistently by the Company.
- ii. Accounting policies not specifically referred otherwise are in consistence with generally accepted accounting principles followed by the Company.

2. Miscellaneous Expenditure

Preliminary expenses are expenses incurred towards formation of the company.

3. Taxes on Income

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence in respect of deferred tax assets. On timing differences, being then difference between taxable income and accounting income that originate in one year is capable of reversal in one or more subsequent years.

B. Notes on Accounts

1. As per the information given to us no amount is payable to any small-scale industrial undertaking as on 31.03.2011.
2. In the opinion of the management the current assets, Loans & Advances have not less than the value stated in the Balance Sheet if realized in the ordinary course of business.

3. Payment to Auditors includes:

**2010-2011
(Rs.)**

For Audit fees	5,000/-
----------------	---------

4. Since there are no employees on the roll of the company, no provision of gratuity or leave salary is made in the financial statements.

5. Miscellaneous Expenses includes:

Preliminary expenses:

Towards company formation charges	<u>1,79,000/-</u>
-----------------------------------	-------------------

Total 1,79,000/-

6. Other information required under paragraph 3,4, and 4C of Schedule VI of the Companies Act, are either not applicable to the Company or shown as part of the Balance Sheet.

7. Being the first year of the company previous year figures have not been given.

8. **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACTS, 1956.**

REGISTRATION DETAILS

Registration No.	U67190MH2010PTC205624
State Code	11
Balance Sheet Date	31.03.2011

CAPITAL RAISED DURING THE YEAR (Rs. in Thousand)

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	500

UPSURGE SHARES & SECURITIES PVT. LTD

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

	(Rs. in Thousand)
Total Liabilities	500.78
Total Assets	500.78

SOURCES OF FUNDS

Paid-Up Capital	500.00
Reserves & Surplus	0.78
Secured Loans	Nil
Unsecured loans	Nil

APPLICATION OF FUNDS

Net fixed Assets	Nil
Investment	Nil
Net Current Assets	321.78
Misc. Expenditure	179.00
Accumulated Losses	Nil

PERFORMANCE OF THE COMPANY

Total Income	7.79
Total Expenditure	6.66
Profit/ (Loss) before tax	1.13
Profit/ (Loss) after tax	0.78
Earning per share (Rs.)	Nil
Dividend Rate (%)	Nil

GENERIC NAMES OF PRINCIPAL, PRODUCTS/ SERVICES OF THE COMPANY (As per monetary terms)

Item Code No.	N.A.
Product description	

Signature to schedule "1" to "7"

As per our report of even date
FOR BANSAL BANSAL & CO.
Firm Reg No.100986W
Chartered Accountants

For and on behalf of Board of Directors

MANOJ KUMAR AGARWAL
Partner
M.No. 107624

D.K. GOYAL HANSRAJ GOYAL
Director Director

Mumbai, 27th June 2011



Upsurge Investment & Finance Ltd.

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

ATTENDANCE SLIP

Please bring this attendance slip and hand over at the entrance of Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (West) Mumbai – 400 053

Name & Address of the Shareholder:	FOLIO NO.
.....	DP ID
.....	CLIENT ID.....
.....	SHARES HELD.....

I hereby record my presence at the SEVENTEENTH Annual General Meeting at Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (West) Mumbai – 400 053 on Monday 8th August 2011 at 10.00 A.M.

.....
Signature of the Member or Proxy

-----Cut Here-----



Upsurge Investment & Finance Ltd.

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

PROXY

I/We.....of in the district ofbeing a member(s) of the above Named Company hereby appoint through Of in the district ofor failing him through in the district of

As my/our proxy to vote for me/us our behalf at the SEVENTEENTH Annual General Meeting of the Company to be held on Monday 8th August 2011 at 10.00 a.m. and at any adjournment thereof.

Signed thisday of2011.

FOLIO NO.....

DP ID

Affix
1Re.
Revenue
Stamp

Notes:

1. The Proxy form should be signed across the revenue stamp as per the specimen recorded with the DP.
2. The proxy form duly completed and signed must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the meeting.

BOOK POST

To,

.....
.....
.....
.....
.....

If undelivered, please return to:



UPSURGE INVESTMENT & FINANCE LIMITED

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