
Upsurge Investment & Finance Ltd.

Date: 07th September 2020

To,
The Manager,
The Corporate Relationship Department
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001

Scrip Code: 531390

Sub: 26th Annual Report of Upsurge Investment & Finance Limited ('Company')

Please find enclosed herewith the 26th Annual Report of Upsurge Investment & Finance Limited for the Financial Year 2019-20 ('Annual Report')

This information is being submitted pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and records

Thanking you,

Yours faithfully,
For Upsurge Investment & Finance Limited


Ela Gupta
Company Secretary & Compliance Officer



Encl: As above

26th Annual Report
2019-2020



Upsurge Investment & Finance Limited



Upsurge Investment & Finance Ltd.

BOARD OF DIRECTORS

Mr. Dayakrishna Goyal

Mr. Hansraj Goyal

Mr. Dinesh Vijayvargia

Mrs. Pratibha Goyal

Mr. Kiran Vaidya

Mr. Sukdeo Agrawal

COMPANY SECRETARY

Ms. Ela Gupta

AUDITORS

M/s. Jain & Trivedi

Chartered Accountants

REGISTRAR & SHARE

Adroit Corporate Services Private Limited

TRANSFER AGENT

17-20, Jaferbhoy Industrial Estate,
Makwana Road, Marol Naka,
Andheri (East), Mumbai-400059
Tel No.: 91-22-42270400

Email: info@adroitcorporate.com

REGISTERED OFFICE

Office No. 303, Morya Landmark-I,
Behind Crystal Plaza, Off New Link Road,
Andheri (West), Mumbai-400053
Tel No.: 91-22-67425441

Email: info@upsurgeinvestment.com

CIN: L67120MH1994PLC079254

CONTENTS	PAGE NO.
• Notice of Annual General Meeting.....	01
• Directors Report and Management Discussion Analysis.....	13
• Report on Corporate Governance.....	36
• Auditors Certificate on Corporate Governance.....	49
• Independent Auditors Report.....	50
• Balance Sheet.....	59
• Statement of Profit & Loss Account.....	60
• Cash Flow Statement.....	61
• Statement of Change in Equity.....	62
• Notes to the Financial Statements.....	63
• Notes appended to the Balance Sheet of NBFC.....	89

NOTICE

NOTICE is hereby given that the Twenty Sixth (26th) Annual General Meeting (“26th AGM”) of “UPSURGE INVESTMENT AND FINANCE LIMITED” will be held on Wednesday, September 30, 2020 at 1.00 P.M. (IST) through Video Conferencing/ other Audio Visual Means (“VC”/“OAVM”) facility , to transact the following Business(es):

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 including Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and cash flow statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Pratibha Goyal (DIN: 00399056), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Kiran Vaidya as an Independent Non – Executive Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in pursuance to recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded for reappointment of Mr. Kiran Vaidya (DIN: 02548532), Independent Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of One consecutive year with effect from January 30, 2020 to January 29, 2021 and whose office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

4. Re-appointment of Mr. Sukdeo Agrawal as an Independent Non – Executive Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in pursuance to recommendation of Nomination and Remuneration Committee, approval of the members of the Company be and is hereby accorded for reappointment of Mr. Sukdeo Agrawal (DIN: 02689004), Independent Non-Executive Director of the

Company, who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of one consecutive year with effect from January 30, 2020 to January 29, 2021 and whose office shall not be liable to retire by rotation”.

RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”.

By Order of the Board

Ela Gupta
Company Secretary
ACS 55325

Mumbai, dated August 25, 2020

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm and continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the 26th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 26th AGM shall be Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the business under Item No. 3 & 4 of the accompanying Notice is annexed hereto.
3. Details as required in sub-regulation (4) of Regulation 26 and sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of Director seeking appointment / reappointment at the 26th AGM, forms integral part of the Notice of the 26th AGM as Annexure. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
4. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 26th AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 26th AGM through VC/OAVM Facility and e-Voting during the 26th AGM.

5. The Members may join the 26th AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 12:45 P.M. IST i.e. 15 (fifteen) minutes before the time scheduled to start the 26th AGM and the Company may close the window for joining the VC/OAVM Facility 15 (fifteen) minutes after the scheduled time to start the 26th AGM. Members may note that the VC/ OAVM Facility, allows participation of at least 1,000 Members on a ‘first come first served’ basis. The large Shareholders (i.e. shareholders holding 2% or more), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. can attend the 26th AGM without any restriction on account of ‘first come first served’ basis
6. The attendance of the Members participating in the 26th AGM through VC/ OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Wednesday, September 23, 2020.
8. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the MCA Circulars issued by the MCA and SEBI Circular, the Annual Report for the year 2019- 20 including Notice of the 26th AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Company/ Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled.
Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the MCA Circulars issued by MCA and SEBI Circular, the Annual Report including Notice of the 26th AGM of the Company will also be available on the website of the Company at www.upsurgeinvestment.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. and on the website of CDSL (agency for providing the remote e-voting facility and e-voting system during the 26th AGM) i.e. www.evotingindia.com
9. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2020 to Wednesday September 30, 2020 (both days inclusive) for annual closing.
10. Since the 26th AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
11. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, Adroit Corporate Services Private Limited.
12. Members must quote their Folio No. /Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company/Registrar and Share Transfer Agent.
13. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom

they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.

14. All documents referred to in the accompanying Notice and the Explanatory Statement are available on website of the Company at www.upsurgeinvestment.com for inspection by the Members up to the date of 26th AGM.

During the 26th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or arrangements, if any in which Directors are interested under Section 189 of the Act which will be available on website of the Company.

15. The Company has designated an exclusive Email ID cs@upsurgeinvestment.com for redressal of Members complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.
16. Members who are yet to encash their earlier dividend warrants for the dividend in FY 2018-19 are requested to contact the office of the Company Secretary & Compliance Officer/Adroit Corporate Services Private Limited, Registrar and Transfer Agent (RTA) of the Company for revalidation of the dividend warrants/issue of fresh demand drafts. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2020 on the website of the Company at www.upsurgeinvestment.com and also on the website of the Ministry of Corporate Affairs.
17. Members who wish to obtain any information on the Company or view the financial statements for the financial year ended March 31, 2020 may visit the Company's website at www.upsurgeinvestment.com or send their queries at cs@upsurgeinvestment.co at least Seven (7) days before the date of 26th AGM. The same will be replied by/ on behalf of the Company suitably.
18. In terms of the applicable provisions of the Act and Rules thereto, the Company has obtained e-mail addresses of its Members and have given an advance opportunity to every Member to register their e-mail address and changes therein from time to time with the Company for service of communications/ documents (including Notice of General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report and all other documents) through electronic mode.
- Although, the Company has given opportunity for registration of e-mail addresses and has already obtained e-mail addresses from some of its Members, Members who have not registered their E-mail address so far are requested to register their e-mail for receiving all communications including Annual Report, Notices and Circulars etc. from the Company electronically. Members can do this by updating their email addresses with their depository participants.
19. In case of joint holders attending the 26th AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

Registration of email ID and Bank Account details:

- (a) In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.
- (b) In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate, the following instructions to be followed:

(i) In case of shares in physical form, please inform M/s Adroit Corporate Services Private Limited, RTA of the company, by enclosing the photocopy of blank cancelled cheque of your Bank Account.

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant (“DP”) and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

20. Securities of listed companies would be transferred in dematerialized form only w.e.f. April 1, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company’s RTA for assistance in this regard.

21. Voting

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 26th AGM using electronic voting system (‘remote e-voting’) and e-voting (during the 26th AGM), provided by CDSL and the business may be transacted through such voting.

Only those Members who will be present in the 26th AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 26th AGM.

(A) THE INSTRUCTIONS FOR REMOTE E-VOTING ARE AS UNDER

- (i) The voting period begins on Sunday, September 27, 2020 (9.00 AM IST) and ends on Tuesday, September 29, 2020 (5.00 PM IST). During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Wednesday, September 23, 2020 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of 26th AGM and holds shares as of the cut-off date i.e. Wednesday, September 23, 2020, may obtain the login ID and password by sending a request at cs@upsurgeinvestment.com or helpdesk.evoting@cdslindia.com However, if a Member is already registered with CDSL for e-voting, then he/she can use existing user id and password/PIN for casting the vote.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

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

PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB) format)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email at investors@upsurgeinvestment.com or to info@adroitcorporate.com
2. For Demat shareholders please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email at investors@upsurgeinvestment.com or info@adroitcorporate.com
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above-mentioned shareholders.

(C) INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE 26th AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder/Members are entitled to attend the 26th AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed. Facility for joining the 26th AGM through VC/OAVM shall open 15 (fifteen) minutes before the time scheduled for the 26th AGM and will be available to the Members on first come first serve basis.
2. Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the 26th AGM. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first come- first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@upsurgeinvestment.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at cs@upsurgeinvestment.com. These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

(D) INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE 26th AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the 26th AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the 26th AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the 26th AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the 26th AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the 26th AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- f) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@upsurgeinvestment.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

22. Mr. B. K. Gupta, Partner (C.P. No. 40889) of M/s BKG & Associates, Chartered Accountants (FRN :114852W) have been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the remote e-voting process and voting through Ballot at the 26th AGM in a fair and transparent manner.
23. The Scrutinizer shall, immediately after the conclusion of voting at the 26th AGM, first count the votes cast during the 26th AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the 26th AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.upsurgeinvestment.com) immediately. The result will also be displayed on the Notice Board of the Company at its Registered Office. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the 26th AGM i.e. September 30, 2020.
24. Section 72 of the Act provides for Nomination by the Members of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by Adroit Corporate Services on request. Members holding shares in dematerialized form may contact their respective Depository Participants for recording of nomination.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (“the Act”), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 3 and Item No. 4 of the accompanying Notice dated August 25, 2020

ITEM NOS. 3

Mr. Kiran Vaidya was appointed as an Independent Non-Executive Director of the Company by the members at the 24th AGM of the Company held on September 28, 2018 for a period of Two consecutive years. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Kiran Vaidya, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent

Director for second term of One consecutive year commencing from January 30, 2020 upto January 29, 2021 and not liable to retire by rotation.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Kiran Vaidya fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Kiran Vaidya as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Vaidya as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Vaidya as an Independent Director for another term of One consecutive year commencing from January 30, 2020 to January 29, 2021.

Except Mr. Kiran Vaidya, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM. Mr. Vaidya is not related to any Director of the Company.

ITEM NOS. 4

Mr. Sukdeo Agrawal was appointed as an Independent Non-Executive Director of the Company by the members at the 24th AGM of the Company held on September 28, 2018 for a period of Two consecutive years. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sukdeo Agrawal, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of One consecutive year commencing from January 30, 2020 upto January 29, 2021 and not liable to retire by rotation.

The Company has received declaration from him stating that he meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Sukdeo Agrawal fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sukdeo Agrawal as an Independent Non-Executive Director setting out terms and

conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Agrawal as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Mr. Agrawal as an Independent Director for another term of One consecutive year commencing from January 30, 2020 to January 29, 2021.

Except Mr. Sukdeo Agrawal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Sukdeo Agrawal is not related to any Director of the Company.

Registered Office:

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

CIN: L67120MH1994PLC079254

Mumbai, dated August 25, 2020

By Order of the Board

Ela Gupta

Company Secretary

ACS 55325

ANNEXURE TO AGM NOTICE

The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is as under:

Name of the Director	Mrs. Pratibha Goyal	Mr. Kiran Vaidya	Mr. Sukdeo Agrawal
DIN	00399056	02548532	02689004
Date of Birth	12/04/1975	04/12/1960	05/12/1952
Date of first appointment in the current designation	08/08/2014	16/01/2018	16/01/2018
Qualification	B.Com	B.Com Graduate (Gold Medalist) from Bangalore University Holds a degree of ICWA.	Holds a degree of B.E. (Hons) Mechanical Engg.
Brief Resume	She has working for social causes and has been helping the needy since years. She is associated with many social groups.	Wider managerial experience	Expertise in Business Strategy & Corporates experience
Experience (including expertise in specific functional area)/Brief Resume	<ul style="list-style-type: none"> • She is a social worker and has extended her hand towards the betterment of the society at large. 	<ul style="list-style-type: none"> • Developing and executing business strategy • Fund raising from banks and financial institutions for working capital and projects; • Fund raising from capital market by IPO, PE investment or QIP; • Managing and motivating large teams; • Overall business Management and strategic planning. 	<ul style="list-style-type: none"> • Developing business strategy to meet the current market scenarios • Investment and Broking, Portfolio Management
Directorships and Committee memberships held in other listing Companies as on 31.03.2020	Mrs. Goyal is not a Director on the board of any other Listed company.	Mr. Vaidya is a Chairman of Audit Committee and a Member of Nomination & Remuneration Committee in The Mandhana Retail Ventures Limited.	Mr. Agrawal is not a Director on the board of any other Listed company
Inter-se relationship between directors	Mrs. Goyal is Wife of Mr. Dayakrishna Goyal, who is Managing Director of the company.	Mr. Vaidya is not related to any of the directors or Key Managerial Personnel or their relatives in the company.	Mr. Agrawal is not related to any of the director or Key Managerial Personnel or their relative in the company.
No. of Meetings of the Board attended	4 out of 4 in the F.Y. 2019-20	4 out of 4 in the F.Y. 2019-20	4 out of 3 in the F.Y. 2019-20
Details of remuneration last drawn	Nil	Nil	Nil
Number of Shares held in the Company	8,50,999	Nil	Nil

BOARD'S REPORT

To,
The Members

Your Directors have pleasure in presenting their Twenty Sixth (26th) Annual Report on the business and operations of the company along with the Audited Financial accounts for the Financial Year ended March 31, 2020.

FINANCIAL RESULTS

(Amount in Thousands)

Particulars	Year Ended March 31, 20	Year Ended March 31, 19
Total Revenue	2,25,361.72	2,56,018.92
Less: Operating Expenses & Provisions	2,65,007.39	2,40,269.01
Profit/(Loss) before Interest, Depreciation & Taxes (PBIDT)	(39,645.67)	15,749.91
Less: Interest & Financial Charges	716.71	2,727.89
Less: Depreciation	213.87	255.77
Profit/(Loss) before Tax	(40,576.25)	12,766.25
Less: Provision for Taxation		
Current Tax	-	1,141.82
Deferred Tax-MAT	-	-
Previous Year Tax	1.5	104.19
Profit/(Loss) after Tax	(40,577.75)	11,520.24
Profit/(Loss) After Tax (PAT) including Other Comprehensive Income	(40,577.75)	11,520.24
Statutory Reserve	-	637.00
Earnings per Share (EPS) (Rs.)	(2.68)	(0.76)

REVIEW OF OPERATION

During the financial year under review total income of the Company is Rs. 2,25,361.72 thousand as compared to last year's total income of Rs 2,56,018.92 thousand. Company has incurred loss of Rs. 40,577.75 thousand as compare to profit of Rs. 11,520.24 thousand of the previous year. The loss has been reported due to fair valuation of investment as company has adopted Indian accounting standard in the year under review.

FIRST-TIME ADOPTION OF IND AS

In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, read with Section 133 of the Companies Act, 2013 ('Act'), the Company has adopted the Indian Accounting Standards (Ind AS) for preparation of its financial statements with effect from April 1, 2019, with comparative financials for the earlier period beginning April 1, 2018.

For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS opening balance sheet is April 1, 2018. The company has made available a note explaining the areas of difference between Indian GAAP and Ind AS and explained the reconciliation between the two GAAPs, in the notes forming part of accounts.

BUSINESS REVIEW

Upsurge Investment & Finance Limited (“The Company”) is a non-banking financial company that fulfills aspirations of its Individual and Corporate clients by satisfying their financial needs. We are engaged in Primary and Secondary capital market activities and provide a wide range of services including: -

- Corporate Finance
- SME Finance
- Loans against Shares and securities

Our range of offerings allows our clients to tap opportunities and execute value creating transactions. While most of our existing ventures are largely focused on corporate clients.

DIVIDEND

In view of losses during the year under review, the directors do not recommend any dividend for the year ended March 31, 2020.

MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company’s various businesses, internal controls and their adequacy, risk management systems and other material developments during the financial year 2019-20.

A. INDUSTRY STRUCTURE & DEVELOPMENT

CORONAVIRUS (COVID-19) AND GLOBAL GROWTH

Amid the coronavirus pandemic, several countries across the world resorted to lockdowns to “flatten the curve” of the infection. These lockdowns meant confining millions of citizens to their homes, shutting down businesses and ceasing almost all economic activity. The global economy is expected to shrink by over 3 per cent in 2020 – the steepest slowdown since the Great Depression of the 1930s.

The pandemic has pushed the global economy into a recession, which means the economy starts shrinking and growth stops.

In the US, Covid-19-related disruptions have led to millions filing for unemployment benefits. The manufacturing output in many countries has gone down, which reflects a fall in external demand and growing expectations of a fall in domestic demand.

Advanced economies have been hit harder, and together they are expected to grow by -6 per cent in 2020. Emerging markets and developing economies are expected to contract by -1 per cent. If China is excluded from this pool of countries, the growth rate for 2020 is expected to be -2.2 per cent. Even as economic activity resumes gradually, the situation will take time to normalize, as consumer behaviors change as a result of continued social distancing and uncertainty about how the pandemic will evolve.

INDIAN ECONOMY

The evolving impact on people’s health has casted a threat on their livelihoods, the businesses in which they work, the wider economy, and therefore the financial system. The outbreak of this pandemic is nothing like the crisis faced by the economies in the year 2007-08 and imperils the stability of the financial system. The market conditions have forced traders to take aggressive steps exposing the system to great volatility thereby

resulting in crashing asset values. Combating the pandemic and safeguarding the economy, the financial sectors across the globe have witnessed numerous reforms to hammer the aftermaths of the global crisis.

Indian economy seen contracting 0.4% in 2020-21 under Covid impact Economic activity in India came to a virtual standstill after Prime Minister Narendra Modi ordered a 21-day nationwide lockdown starting March 25 to stem the spread of the coronavirus. The shutdown has since been extended twice through May 17, with some relaxations to allow resumption of economic activity.

There remains uncertainty with respect to the timeframe through which the lockdown may continue. Significant areas of the country continue to see increases in infection numbers and opening up the country from the lockdown might not be seamless. Despite some businesses and factories allowed to resume operations, there's a dearth of workers as many returned to their rural hometowns amid the lockdown

INDIAN REGULATORY REFORMS

NBFCs have been struggling to keep alive in wake of the pandemic. The financial regulator in India has been taking rigorous steps to counter the impact of the pandemic on the shadow banking sector. The central bank has been continuously tracking the sector in India and has taken a number of steps to support the NBFC sector in India and prevent its collapse. The steps include measures to maintain adequate liquidity in the system, facilitate smooth bank credit flow and ease financial strain amid the deadly virus outbreak. Some these have been introduced during the last quarter of the FY 2019-20 even before the actual outbreak of the disruption in our country.

RISKS AND CONCERNS

1. In recent times, NBFCs have been found to be constantly facing problems with managing their liquidity positions owing to multiple factors such as increase in borrowing costs, asset -liability mismatches, repricing risks, nature of assets and reluctance of lenders/investors.
2. The cash-strapped non-banking financial company (NBFC) sector is bracing for another challenge. Moratorium becomes crucial for NBFCs and HFCs as disbursements and collections will take a hit because of the coronavirus pandemic, resulting in cash flow problems.
3. NBFCs face twin challenges of debt repayment, cash shortage amid Covid-19 outbreak.
4. Small and medium-sized NBFCs are most at risk due to the disruption caused by the Covid-19 outbreak. Large lenders will be able to tap RBI's Rs 1 lakh crore targeted longer term refinancing operations (TLTRO) window but others are likely to face a crunch.
5. The economic disruption brought about by the COVID-19 lockdown will have a severe impact on the incomes of such borrowers for several months depending on the intensity of the outbreak.
6. The key risk for NBFCs is a sharp deterioration in the delinquency levels subsequent to the expiry of the 3-month moratorium.
7. While the COVID-19 lockdown may be gradually removed over the next few weeks, the impact on the businesses of the self-employed and SME borrowers is likely to be severe. Hence, it expects the collections to be severely impacted over the next 6 months with the 3 months moratorium only providing temporary relief.
8. Banks choke NBFC lifeline by parking more funds with RBI. Funding challenges could mount for NBFCs as banks become more selective in extending credit

OPPORTUNITIES

- Notwithstanding recent events, for anyone with a medium- to long-term view, the NBFC opportunity is still very attractive. It's not just in India, but globally. NBFCs, or shadow banking generically, play a significant role in many countries, and have acted as shock-absorbers when the banking system was constrained
- The word economic slowdown grabbed not only the headlines but business cycles of lenders as well. Some hard lessons have been to focus on being prudent and building robust models
- 2019 has kept everyone on their toes. Still, the biggest learning has been that regardless of liquidity crisis or economic slowdown, investors will focus on solid business models and proven teams that can drive profitability. NBFCs are learning to calibrate the overall market dynamics and approaching new strategies to lend to different segments.
- The Indian retail borrowing has evolved over the years and in this past year, a paradigm psychological shift has been observed in consumers' borrowing behavior. This change resulted in a significant rise in demand for personal credit
- Unlike the previous generations today people don't want to just make ends meet, for them leisure has become an essential component of their lifestyles and they are willing to take loans for instant gratification. The earlier aspirational ideology of savings has given way to consumerism.

THREATS

- Due to the pandemic, it might become too cumbersome or difficult to determine the extent and adequacy of collaterals available and the subsequent provisioning.
- Given the situation of the lock down in the country, the defaults may have increased substantially as many companies would have lost revenue for a long time. An increase in defaults is likely to cause issues in liquidity and capital adequacy.
- Given the current crisis and its impact on capital markets and businesses across NBFCs will face clients who are potentially experiencing stressed financial conditions, including deterioration of their credit ratings and credit quality. In certain cases, there is a likeliness of borrowers to breach certain covenants linked to ratios like the current ratio, profitability ratios, return on equity (ROE), debt coverage ratios, etc
- Business transactions may be postponed or cancelled, or they may occur in significantly lower volumes than initially forecasted due to COVID-19 lockdown
- There may be large-scale business disruptions that can potentially give rise to liquidity issues for certain entities. This might also have consequential impacts on the credit quality.
- Due to significant change in the market conditions, firms may have to revisit their business model assessment for their existing financial instruments
- Job losses in the unorganized sector and likely migration of a section of borrowers from urban to rural areas will also lead to higher delinquencies in FY21

OUTLOOK FOR 2020

1. The Government has taken a series of measures to generate demand and ease the liquidity by ensuring public sector banks lend further to NBFCs, introducing partial credit guarantee scheme, organizing loan mela etc.

2. Outlook for 2020 right now is cautious from an industry point of view, the slowdown that has begun can't be turned around that easily for which a booster shot is required.
3. The overall economic outlook is currently challenging, we do expect demand to pick up as we expect some favorable actions by the Finance Minister in the next budget. These could include a change in personal tax rules in order to put more money in the hands of the common man for a consumption-led revival of the economy, measures to prop up the health and lending abilities of NBFCs.
4. The profitability outlook for the retail NBFC sector is fairly negative in such a scenario where the business volumes are likely to shrink in first half of FY21.
5. Non-banking finance companies (NBFCs), an integral component of the Indian lending ecosystem apart from banks, could see a major impact of COVID-19 on their liquidity position and asset quality in the financial year 2020-21.
6. Before the coronavirus outbreak, RBI and the government took several measures to support NBFCs since August 2019, especially after the IL&FS credit crisis created serious headwinds in September 2018. Hence, with the improved liquidity conditions and solid business franchise, the entire NBFC space was looking to return to comfortable levels in the second half of FY20, but the novel coronavirus, or COVID-19, spread clipped the recovery. As a result, there could be further disruption in the economy.
7. The outlook for NBFCs and housing finance companies (HFCs) has turned negative because of the coronavirus outbreak. The sector, which grappled with liability side disruptions, could see another wave of challenges, this time in the form of asset quality. Amid these, funding challenges could mount again as banks become more selective in extending credit.

B. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Considering the size and nature of activities, the company has adequate internal control system covering both accounting and administrative control. In addition the internal audit is carried out periodically. The management ensuring an effective internal control system so that the financial statements and reports give a true and fair view and during the year under review no material or serious observation has been received from the Internal Auditors of the Company for inadequacy or ineffectiveness of such control.

C. HUMAN RESOURCES

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

D. CAUTIONARY NOTE

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

RESERVES

In view of current year losses, company has not transferred any amount to statutory reserve account.

SHARE CAPITAL

The Company had not issued any equity shares either with or without differential rights during the F.Y. 2019 - 2020 and hence, the disclosure requirements under Section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014, are not applicable.

DEPOSITIS

The Company has neither accepted nor renewed any deposits from public or members during the year under review under Section 73 of the Companies Act, 2013 read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2020.

DIRECTORS

In accordance with the provisions of section 152 of the Companies Act, 2013 and articles of association of the Company Mrs. Pratibha Goyal, (DIN:00399056) (Non-Executive Director) of the company, retires by rotation in the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

The first term of office of Mr. Kiran Vaidya and Mr. Sukdeo Agrawal as Independent Directors expires.

The Board has recommended re-appointment of Mr. Kiran Vaidya and Mr. Sukdeo Agrawal, as Independent Directors of the Company for a second term of 1 (One) consecutive year.

Brief resume of the directors seeking appointment/re-appointment is given in the notice to the annual general meeting.

None of the Directors of your Company is disqualified under provisions of Section 164(2)(a) and (b) of the Companies Act, 2013.

CHANGES IN KEY MANAGERIAL PERSONNEL (KMP'S) DURING THE YEAR 2019-20

There were no changes in Key Managerial Personnel category during the period under review.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. proper annual accounts have been prepared on a going concern basis;
- v. internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR

All Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Act, stating that they meet the criteria of Independence as provided in section 149(6) of the Companies Act, 2013 and are not disqualified from continuing as Independent Directors.

EVALUATION OF DIRECTORS, COMMITTEE AND BOARD

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board of Directors has carried out evaluation of the Board, its Committees and Individual Directors. The evaluation process has been explained in the Report on Corporate Governance, which forms part of this Board's Report.

Also, the Independent Directors, at their meeting reviewed the performance of the Board, its Chairman and Non-Executive Directors of the Company.

NUMBER OF BOARD MEETINGS HELD DURING THE PERIOD

A notice of the Board Meeting is circulated well in advance with Agenda, including detailed explanation to be discussed, to enable the Board to take an informed decision.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement/Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, 04 (Four) Board Meetings were held during the year ended March 31 2020, the dates are May 17, 2019, August 2, 2019, October 23, 2019, January 30, 2020. Detailed information on the Board Meetings with regard to attendance of each of the Directors thereat have been included in the Corporate Governance Report, which forms part of this Board Report.

Additionally, during the financial year ended March 31, 2020 a separate meeting of the Independent Directors was held on February 5, 2020, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations.

Post the Independent Directors Meeting, the collective feedback of each of the Independent Director was scaled and measured on defined ratings, thereby covering the performance of Board as a whole, performance of the non-independent directors and performance of the Chairman.

COMMITTEES OF THE BOARD

The Board of Directors of your company has constituted various committees in compliance with the provisions of the Companies Act, 2013 and Listing Regulations.

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholder Relationship Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference/ role of the committees are taken by the Board of Directors. A detailed note on the Board and its Committees is provided under the Corporate Governance Section in this Annual Report.

NOMINATION & REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The appointment and Remuneration Policies stated in the Corporate Governance Report of the Company that forms part of the Annual Report.

PARTICULARS OF EMPLOYEES AND REMUNERATION

Information as required under the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s)/amendment(s)/re-enactment thereof, for the time being in force), is set out in **Annexure-I** hereto, which forms part of this Board's Report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY

The Company does not have any subsidiary or associate company and has not entered into joint venture with any other company during the financial year ended March 31, 2020. Accordingly, a statement under the provisions of Section 129(3) of the Companies Act, 2013, containing salient features of the financial statements of the Company's subsidiary(ies) in Form AOC-1 is not enclosed.

ORPORATE GOVERNANCE REPORT

As stipulated under the provision of Regulation 34 (3) read with Schedule V (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a separate report on Corporate Governance Report forms integral part of this Board Report. The requisite compliance certificate as required under Part E of Schedule V of the Listing Regulation is issued by Jain & Trivedi, Chartered Accountants pertaining to the compliance of the conditions of Corporate Governance is Annexed thereto.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure -II** to this report. The weblink for the same is <http://www.upsurgeinvestment.com/investorsinfo.htm>.

STATUTORY AUDITORS

M/s Jain & Trivedi, Chartered Accountants (FRN:113496W) were appointed as the Statutory Auditors of the Company during the 23rd AGM held on September 29, 2017 for a period of five years as per the provisions of Section 139 of the Companies Act, 2013.

However, with the Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs ('MCA'), the first proviso to Section 139(1) of the Companies Act, 2013 pertaining to the requirement of annual ratification of appointment of Auditors by member is omitted.

Accordingly as per the companies (Amendment) Act, 2017 ratification of the appointment of Statutory Auditors during their period of appointment will not be considered.

AUDITORS' REPORT

Independent Auditor's Report

There are no qualifications, reservation or adverse remark or disclaimer in the Independent Auditor's Report provided by M/s. Jain & Trivedi, Chartered Accountants, for the F.Y. 2019-2020. The notes to accounts forming part of financial statements are self-explanatory and need no further clarification.

Secretarial Audit Report

Pursuant to Provision of Section 204 of the Companies Act, 2013 and Rules framed there under Board of Directors have appointed M/s. Kamlesh Jain & Associates, Practicing Company Secretaries to conduct Secretarial Audit. The Secretarial Audit Report for the Financial Year ended March 31, 2020 forms the integral part of the Board Report as **Annexure-III**. There are no qualifications, reservation or adverse remark or disclaimer in Secretarial Audit Report.

Details in respect of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the central government

There are no such frauds committed by the Company which are reported by auditors.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 (11) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non- Banking Financial Company (NBFC) registered with Reserve Bank of India are exempt from the applicability of provisions of Section 186 of the Act.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest with the company at large. Accordingly, disclosures of related party transactions in Form AOC-2 have not been furnished. All Related Party Transactions were placed before Audit Committee and Board for their approval. Your Company has formulated policy of Related Party Transaction which is also available on the website of the Company www.upsurgeinvestment.com

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

No material changes and commitments which could affect the Company's financial position have occurred till date of this report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The Company does not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

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

• Conservation of Energy & Technology Absorption

The Company is not engaged in manufacturing activities and therefore provisions relating to conservation of energy and technology absorption are not applicable to it. However, efforts are being made to minimize consumption of energy, wherever possible.

• Foreign Exchange Earnings and Outgo

During the year under review there were no Foreign Exchange earnings and outgo.

RISK MANAGEMENT POLICY

The Board of Directors of the Company has approved Risk Management policy and guidelines, wherein all material risks faced by the company are identified and assessed. Moreover in the said Risk Management Policy the Board has defined a structured approach to manage uncertainty, cultivating the same in their decision making pertaining to all business divisions and corporate functions. For each of the risks identified, corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting on periodic basis.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility are not applicable to the company as company does not fall into ambit of the provisions of section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

In respect of internal financial control, the Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the timely prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. Further, the management regularly reviews the control for any possible changes and takes appropriate actions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal control systems and their adequacy are included in the Management Discussion and Analysis Report, which forms part of this report.

CHANGES IN NATURE OF BUSINESS, IF ANY

During the year under review there is no change in the nature of business of the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

In pursuant to the provisions of section 177(9) and (10) of the Companies Act, 2013, a Whistle Blower Policy / Vigil Mechanism for directors and employees to report genuine concerns has been established by the Company in order to maintain highest standards of ethical, moral and legal conduct, adopted Vigil Mechanism/Whistle Blower policy to provide an avenue to its employees to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentations of any financial statements and reports, etc. The Audit committee of the company oversees the said mechanism from time to time. None of the Company personnel has been denied access to the Audit Committee. The Whistle Blower Policy of the Company is also available on the website of the Company www.upsurgeinvestment.com

DISCLOSURE UNDER THE HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti-Harassment policy in line with the requirements of the sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints. Company has zero tolerance policy in case of sexual harassment at workplace and is committed to provide a healthy environment to each and every employee of the company.

RBI GUIDELINES

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

SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS

No orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING

Pursuant to Clause 9 of the Revised Secretarial Standard-1(SS-1) and Standard-2 (SS-2), your company has complied with applicable Secretarial Standard issued by the Institute of Company Secretaries of India during the financial year under review.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Dayakrishna Goyal
Managing Director
DIN: 00398539

Hansraj Goyal
Independent Director
DIN: 00398273

Mumbai, dated August 25,2020

ANNEXURE- I

Particulars of Employees

Disclosure in Board's Report as per the provision Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)

Sr. No	Requirements	Disclosures	
1	Ratio of remuneration of each director to median remuneration of employees for the financial year	Chairman & Managing Director – 3.99:1	
2	Percentage increase in remuneration of each Director, CFO, CEO, Company Secretary or Manager, if any, in the financial year	KMP	% increase in remuneration
		Mr. Dayakrishna Goyal (Managing Director)	42.86%
		Ms. Ela Gupta- CS	42%
		Mr. Manish Kabra– CFO	18.06%
3	Percentage increase in median remuneration of employees in the financial year	10%	
4	Number of permanent employees on the rolls of the company	7 (Seven)	
5	Average percentile increases already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in the salaries of employees was 10.38% and the average increase in the managerial remuneration during the last financial year was 34.30%.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

ANNEXURE-II

FORM NO. MGT 9									
EXTRACT OF ANNUAL RETURN									
as on financial year ended on March 31, 2020									
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration)									
I. REGISTRATION & OTHER DETAILS:									
1	CIN	L67120MH1994PLC079254							
2	Registration Date	28/06/1994							
3	Name of the Company	UPSURGE INVESTMENT & FINANCE LIMITED							
4	Category/Sub-category of the Company	Public Ltd/ Company Limited by Shares							
5	Address of the Registered office & contact details	Office No. 303, Morya Landmark-1, Behind Crystal Plaza, Off New Link Road, Andheri (West), Mumbai- 400 053 Tel No. 022-67425441 Fax: 022-67425440							
6	Whether listed company	Listed							
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Adroit Corporate Services Private Limited 17-20, Jafferbhoy Industrial Estate, Makhwana Rd, Marol Andheri (East) Mumbai (M.H.) -400 059 Tel: 022-42270400							
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY									
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)									
S. No.	Name and Description of main products / services					NIC Code of the Product/service		% to total turnover of the	
1	Finance & Investment activities					6492		100%	
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES									
SN	Name and address of the Company			CIN/GLN	Holding/ Subsidiary/ Associate		% of shares held	Applicable Section	
	N.A			N.A	N.A		N.A	N.A	
IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,007,600	-	4,007,600	26.45%	4,118,599	-	4,118,599	27.18%	0.73%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,080,000	-	2,080,000	13.73%	2,699,680	-	2,699,680	17.82%	4.09%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)	6,087,600	-	6,087,600	40.18%	6,818,279	-	6,818,279	45.00%	4.82%
(1)									

(2) Foreign										
a) NRI Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-	-
Sub Total (A)	-	-	-	-	-	-	-	-	-	-
(2)										
TOTAL (A)	6,087,600	-	6,087,600	40.18%	6,818,279	-	6,818,279	45.00%	4.82%	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds	-	900	900	0.01%	-	900	900	0.01%	-	
b) Banks / FI	500	-	500	-	500	-	500	-	-	
c) Central Govt	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FII's	-	-	-	-	-	-	-	-	-	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	500	900	1,400	0.01%	500	900	1,400	0.01%	-	
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	3,343,624	49,500	3,393,124	22.39%	3,058,727	49,300	3,108,027	20.51%	-1.88%	
ii) Overseas	-	-	-	-	-	-	-	-	-	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	666,417	319701	986,118	6.51%	641,531	311401	952,932	6.29%	-0.22%	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3,781,985	-	3,781,985	24.96%	4,256,903	-	4,256,903	28.09%	3.13%	
c) Others (specify)										
Non Resident	200	13500	13,700	0.09%	100	13500	13,600	0.09%	-	
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-	
Foreign Nationals	-	-	-	-	-	-	-	-	-	
Clearing Members	888,473	-	888,473	5.86%	1259	-	1,259	0.01%	-5.85%	
Trusts	-	-	-	-	-	-	-	-	-	
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-	
Sub-total (B)(2):-	8,680,699	382,701	9,063,400	59.81%	7,958,520	374,201	8,332,721	54.99%	-4.82%	
Total Public (B)	8,681,199	383,601	9,064,800	59.82%	7,959,020	375,101	8,334,121	55.00%	-4.82%	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	14,768,799	383,601	15,152,400	100.00%	14,777,299	375,101	15,152,400	100.00%	-	

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Gagan Deep Multitrade Pvt. Ltd.	1,535,000	10.13	-	2,154,680	14.22	-	4.09
2	Pratibha Goyal	740,000	4.88	-	850,999	5.62	-	0.73
3	Dayakrishna Goyal	1,250,000	8.25	-	1,250,000	8.25	-	-
4	Dayakrishna Goyal HUF	1,300,000	8.58	-	1,300,000	8.58	-	-
5	Navrati Anurag Gupta	659,500	4.35	-	659,500	4.35	-	-
6	Yash Securities Pvt. Ltd.	400,000	2.64	-	400,000	2.64	-	-
7	Upsurge Share & Securities Pvt Ltd	145,000	0.96	-	145,000	0.96	-	-
8	Bal Kishan Goyal	58,100	0.38	-	58,100	0.38	-	-
	Total	6,087,600	40.18	-	6,818,279	45.00	-	4.82

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Gagan Deep Multitrade Pvt. Ltd.				
	At the beginning of the year	1,535,000	10.13	1,535,000	10.13
	Date wise Increase / Decrease in Shareholding during the year				
	24th May, 2019 (Purchases)	221,393	1.46	1,756,393	11.59
	27th May, 2019 (Purchases)	210,000	1.39	1,966,393	12.98
	28th May, 2019 (Purchases)	188,287	1.24	2,154,680	14.22
	At the end of the year	2,154,680	14.22	2,154,680	14.22
2	Pratibha Goyal				
	At the beginning of the year	740,000	4.88	740,000	4.88
	Date wise Increase / Decrease in Shareholding during the year				
	08th August, 2019 (Purchases)	40,000	0.26	780,000	5.15
	09th August, 2019 (Purchases)	20,000	0.13	800,000	5.28
	19th August, 2019 (Purchases)	20,000	0.13	820,000	5.41
	20th August, 2019	20,999	0.14	840,999	5.55
	21st August, 2019 (Purchases)	10,000	0.07	850,999	5.62
	At the end of the year	850,999	5.62	850,999	5.62

(iv) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Aarti Mitesh Jhunjhunwala				
	At the beginning of the year	660,670	4.36	660,670	4.36
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	660,670	4.36	660,670	4.36

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
2	Orbis Fiancial Corporation Limited				
	At the beginning of the year	868,123	5.73	868,123	5.73
	Date wise Increase / Decrease in Shareholding during the year				
	26th April 2019 (Sold)	(868,123)	(5.73)	-	-
	20th March 2020	629,106	4.15	629,106	4.15
	At the end of the year	629,106	4.15	629,106	4.15
3	Azura Projects Private Limited				
	At the beginning of the year	430,000	2.84	430,000	2.84
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	430,000	2.84	430,000	2.84
4	Explict Finance Limited				
	At the beginning of the year	333,203	2.20	333,203	2.20
	Date wise Increase / Decrease in Shareholding during the year				0.00
	12th April,2019 (Purchases)	13,418	0.09	346,621	2.29
	19th April 2019 (Sold)	(429)	0.00	346,192	2.28
	11th Oct , 2019 (Purchases)	47,256	0.31	393,448	2.60
	18th Oct, 2019 (Purchases)	61,409	0.41	454,857	3.00
	01st Nov, 2019 (Purchases)	1,483	0.01	456,340	3.01
	08th Nov, 2019 (Purchases)	249	0.00	456,589	3.01
	15th Nov, 2019 (Purchases)	250	0.00	456,839	3.01
	16th Nov, 2019 (Purchases)	249	0.00	457,088	3.02
	29th Nov, 2019 (Purchases)	25	0.00	457,113	3.02
	27th Dec, 2019 (Purchases)	3,002	0.02	460,115	3.04
	03rd Jan, 2020 (Sold)	(5)	0.00	460,110	3.04
	24th Jan, 2020 (Purchases)	4,776	0.03	464,886	3.07
	31th Jan, 2020 (Purchases)	3,050	0.02	467,936	3.09
	07th Feb, 2020 (Purchases)	5	0.00	467,941	3.09
	14th Feb, 2020 (Purchases)	1,766	0.01	469,707	3.10
	28th Feb,2020 (Purchases)	513	0.00	470,220	3.10
	20th March,2020 (Purchases)	1,000	0.01	471,220	3.11
	31st March,2020 (Purchases)	200	0.00	471,420	3.11
	At the end of the year	471,420	3.11	471,420	3.11
5	Vikash Agarwal				
	At the beginning of the year	297,932	1.97	297,932	1.97
	Date wise Increase / Decrease in Shareholding during the year				
	6th Sept, 2019 (Purchases)	15,879	0.10	313,811	2.07
	At the end of the year	313,811	2.07	313,811	2.07
6	Syncom Formulation India Ltd				
	At the beginning of the year	274,000	1.81	274,000	1.81
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	274,000	1.81	274,000	1.81
7	Advani Trading Co Private Limited				
	At the beginning of the year	270,545	1.79	270,545	1.79
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	270,545	1.79	270,545	1.79

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
8	Advani Pvt Ltd				
	At the beginning of the year	328,942	2.17	328,942	2.17
	Date wise Increase / Decrease in				
	03rd May 2019 (Sold)	(150,000)	-0.99	178,942	1.18
	23rd August 2019 (Sold)	(50,243)	-0.33	128,699	0.85
	4th Oct 2019 (Purchases)	10,000	0.07	138,699	0.92
	11th Oct 2019 (Purchases)	1,978	0.01	140,677	0.93
	18th Oct 2019 (Purchases)	61,852	0.41	202,529	1.34
	25th Oct 2019 (Purchases)	64,970	0.43	267,499	1.77
	At the end of the year	267,499	1.77	267,499	1.77
9	Shashank Soni				
	At the beginning of the year	235,000	1.55	235,000	1.55
	Date wise Increase / Decrease in				
	At the end of the year	235,000	1.55	235,000	1.55
10	Sneha Vikash Agrawal				
	At the beginning of the year	105,287	0.69	105,287	0.69
	Date wise Increase / Decrease in				
	26th April 2019(Purchases)	17,539	0.12	122,826	0.81
	03rd May 2019(Purchases)	447	-	123,273	0.81
	10th May 2019(Purchases)	2,000	0.01	125,273	0.83
	28th June 2019(Purchases)	34,005	0.22	159,278	1.05
	05th July 2019(Purchases)	14,600	0.10	173,878	1.15
	12th July 2019(Purchases)	12,500	0.08	186,378	1.23
	19th July 2019(Purchases)	4,733	0.03	191,111	1.26
	09th Aug 2019(Purchases)	64	-	191,175	1.26
	06th Sep 2019(Purchases)	8,050	0.05	199,225	1.31
	13th Sep 2019(Purchases)	1,100	0.01	200,325	1.32
	20th Sep 2019(Purchases)	3,108	0.02	203,433	1.34
	27th Sep 2019(Purchases)	966	0.01	204,399	1.35
	04th Oct 2019(Purchases)	4	-	204,403	1.35
	11th Oct 2019(Purchases)	300	-	204,703	1.35
	29th Nov 2019(Purchases)	250	-	204,953	1.35
	10th Jan 2020(Sold)	(9,637)	(0.06)	195,316	1.29
	07th Feb 2020(Sold)	(252)	-	195,064	1.29
	14th Feb 2020(Sold)	(110)	-	194,954	1.29
	At the end of the year	194,954	1.29	194,954	1.29
11	Intellect Money Pvt. Ltd				
	At the beginning of the year	308,079	2.03	308079	2.03
	Date wise Increase / Decrease in				
	05th Apr 2019(Sold)	(2,370)	(0.02)	305709	2.02
	12th Apr 2019(Sold)	(305,709)	(2.02)	-	-
	12th Apr 2019(Purchases)	308,079	2.03	308079	2.03
	31st May 2019(Sold)	(153,250)	(1.01)	154829	1.02
	7th June 2019(Sold)	(500)	-	154329	1.02
	14th June 2019(Sold)	(8,500)	(0.06)	145829	0.96
	21st June 2019(Sold)	(3,000)	(0.02)	142829	0.94
	28th June 2019(Sold)	(2,000)	(0.01)	140829	0.93
	05th July 2019(Sold)	(37,000)	(0.24)	103829	0.69
	12th July 2019(Sold)	(75,000)	(0.49)	28829	0.19
	29th Aug 2019(Sold)	(20,000)	(0.13)	8829	0.06
	16th Aug 2019(Sold)	(8,829)	(0.06)	-	-
	At the end of the year	-	-	-	-

Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
12	Florence Securities Private Limited				
	At the beginning of the year	188,988	1.25	188,988	1.25
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	188,988	1.25	188,988	1.25
(v) Shareholding of Directors and Key Managerial Personnel:					
Sr. No.	Name of the shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
Directors					
1	Dayakrishna Goyal				
	At the beginning of the year	1250000	8.25	1250000	8.25
	Date wise Increase / Decrease in				
	At the end of the year	1250000	8.25	1250000	8.25
2	Pratibha Goyal				
	At the beginning of the year	740000	4.88	740000	4.88
	Date wise Increase / Decrease in				
	08th August, 2019	40000	0.26	780000	5.15
	09th August, 2019	20000	0.13	800000	5.28
	19th August, 2019	20000	0.13	820000	5.41
	20th August, 2019	20999	0.14	840999	5.55
	21st August, 2019	10000	0.07	850999	5.62
	At the end of the year	850999	5.62	850999	5.62

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./La

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due	Nil	Nil	Nil	
Total (i+ii+iii)	-	-	-	
Change in Indebtedness during the financial year				
* Addition	Nil	Nil	Nil	
* Reduction	Nil	Nil	Nil	
Net Change	-	-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due	Nil	Nil	Nil	
Total (i+ii+iii)	-	-	-	

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Name of the Managing Director:- Mr. Dayakrishna Goyal

Sr No.	Particulars of Remuneration	Total Amount (Rs.)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,100,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as % of profit	
	- others, specify	
5	Others, please specify	
	Total (A)	1,100,000
	Ceiling as per the Act	42 lacs

B. Remuneration to other Directors

Sr No	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
1	Independent Directors	-	
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (1)	-	-
Sr No	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
2	Other Non-Executive Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	1,100,000
	Overall Ceiling as per the Act	-	42 lacs

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr No	Particulars of Remuneration	Total Amount (Rs.)
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	875,464
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	
	- others, specify	
5	Others, please specify	-
	Total	875,464

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compou	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE- III
Secretarial Audit Report

(For the Financial year ended March 31, 2020)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Upsurge Investment and Finance Limited

Office No. 303, Morya Landmark I,

Behind Crystal Plaza, Off New Link Road,

Andheri (West) Mumbai - 400053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Upsurge Investment and Finance Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:
- i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Banking Financial Companies which are specifically applicable to the Company.
 - vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 (Not applicable to the Company during the audit Period)
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit Period);

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit Period)
- vii. We further report that:
- a. We have examined compliance of Secretarial Standards issued by The Institute of Company Secretaries of India, with respect to board and general meetings.
 - b. We have also examined compliance with the applicable regulations of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- II. During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

III. We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

We also report that as regards the provisions of notices of board meeting, sending of agenda papers, holding of board meetings as laid down in the Act, they are sent to the directors by electronic means.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that, we have relied upon statutory audit report as provided by management of the company for compliance under Income Tax and other Indirect Taxation act.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

For Kamlesh Jain & Associates
Company Secretary in Practice

Kamlesh Jain

Proprietor

ACS-14068

CP No.- 14577

UDIN: A014068B000615559

Mumbai, dated August 25, 2020

Note: This report is to be read with our letter of even date is annexed as 'Annexure A' and forms an integral part of this report.

Annexure-A

To

The Members,

Upsurge Investment and Finance Limited

Office No. 303, Morya Landmark I,

Behind Crystal, Plaza, Off New Link Road,

Andheri (West) Mumbai - 400053

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as applicable to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Kamlesh Jain & Associates
Company Secretaries

Kamlesh Jain

Proprietor

ACS-14068

CP No. – 14577

UDIN: A014068B000615559

Place: Mumbai

Date: August 25, 2020

REPORT ON CORPORATE GOVERNANCE

The Report is in compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

- Ensure that quantity, quality and frequency of financial and managerial information, which management shares with the Board are fully in control of the Company's affairs.
- Ensure that the Board exercises its fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability.
- Ensure that the extent to which the information is disclosed to present and potential investors is maximized.
- Ensure that the Board, the employees and all concerned are fully committed to maximizing long-term value to the Shareholders and the Company through ethical business conduct.

2. BOARD OF DIRECTORS & BOARD MEETINGS

a. Composition:

Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board is comprised of experienced professionals drawn from diverse fields.

The composition of the Board complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2020 the Board comprised of Six Directors, out of which 1 (One) is an Executive Director, 1 (One) is a Non-Executive Director and 4 (Four) are Independent, Non-Executive Directors.

b. Board Meetings:

During the Financial Year 2019-2020, 4 (Four) Board Meetings were held on May 17 2019, August 2, 2019, October 23, 2019, January 30, 2020.

c. The composition of the Board, Directorships/Membership of Committee of other Companies as on March 31, 2020, no. of meetings held and attended during the financial year are as under:

Name of director	Designation & Category	Relation with other directors	Number of shares held by the director	Number of Board Meeting attended	Attendance of previous AGM held on September 30, 2019	Directorship in another Public Ltd. Companies*	Directorship in another listed entities & category
Mr. Dayakrishna Goyal	Managing Director, Executive	Spouse of Pratibha Goyal	12,50,000	4	Yes	-	-
Mr. Dinesh Vijayvargia	Non-Executive, Independent Director	-	NIL	4	Yes	-	-
Mrs. Pratibha Goyal	Non-Executive, Non Independent Director	Spouse of Dayakrishna Goyal	8,50,999	4	Yes	-	-

Mr. Hansraj Goyal	Non-Executive, Independent Director	-	NIL	4	Yes	-	-
Mr. Kiran Vaidya	Non-Executive, Independent Director	-	NIL	4	Yes	-	1**
Mr. Sukdeo Agrawal	Non-Executive, Independent Director	-	NIL	3	Yes	-	-

*As required under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015, it does not include directorship in Foreign Companies, companies registered under Section 8 of the Companies Act, 2013 and private limited companies.

The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies.

**Mr. Kiran Vaidya, was a Director of The Mandhana Retail Ventures Limited and also chairman of audit Committee and member of the Nomination and Remuneration Committee during the year under review. Mr. Vaidya has resigned from the above-mentioned positions w.e.f. May 18, 2020.

Other than Mr. Kiran Vaidya none of the Directors on Board is Member of Board level committees and Chairman of such committees, across all other public/Listed Ltd. companies in which he or she is a director.

d. Particulars of Directors seeking appointment and re-appointment:

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director(s) seeking re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice convening the said AGM.

e. Code of Conduct:

The Company has adopted a Code of Conduct for its Board Members and Senior Management and has posted the Code on the website of the Company in terms of Regulation 17 (5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Managing Director has affirmed the compliance of the Code of Conduct by the Board Members and Senior Management for the year under review. A declaration to this effect signed by the Managing Director, Mr. Dayakrishna Goyal forms part of this report.

f. Board Independence:

Based on the confirmation/disclosures received from the Directors, 4 Non-Executive Directors are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

There are no material pecuniary relationships or transactions between the Independent Directors and the Company. Company does not pay any compensation and sitting fees to Non- Executive Directors.

g. Directors' Induction & Familiarisation:

The Independent Directors are familiarized, with the Company, their duties, roles and responsibilities, the nature of the industry, the business model of the Company, in line with the "Familiarization programme

of Independent Directors”, the details of which can be viewed at company’s website and the web link for the same is :

<http://www.upsurgeinvestment.com/pdf/policies/Familiarisation%20Programme%20for%20ID.pdf>

h. Board Evaluation:

During the financial year under review, the Board of Directors/Independent Directors/Nomination and Remuneration Committee (as applicable) has carried out an annual evaluation of its own performance, performance of all individual Directors including Independent Directors, the performance of its Committees and the evaluation of Chairman of the Board, in terms of provisions of the Companies Act, 2013 and Regulation 25(3) and (4) of the Listing Regulations.

Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

i. Matrix/Table Containing Skills, Expertise and Competencies of The Board of Directors:

The Board Members are from diversified areas having the required knowledge. Competency, skills, and experience to effectively discharge their responsibilities. The range of experience of the Board Members includes in the areas of Banking & Finance, Taxation and Legal.

The broad policies are framed by the Board of Directors. All strategic decisions are taken by the Board after due deliberation between the Board Members which consists of Managing Director, Executive Directors, Non-Executive Director and, Independent Directors. The Company has identified and broadly categorized its Core Skills, Expertise and Competencies as mentioned hereunder:

Matrix/Table of Core Skills, Expertise and Competencies of Board of Directors as Whole

Particulars	Detailed List of Core Skills, Expertise and Competencies
Core Skills	Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements
Expertise	Knowledge of, Commercial acumen and able to guide in building the right environment for Human Assets Development
Competencies	Strategic Leadership, execution of policies framed by the Board, identifying the growth areas for expanding the business in India and advising on Business Risks & environment.

j. Board Confirmation on Independent director:

In the opinion of the board, the independent directors fulfill the condition specified in SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and are independent of the management.

3. AUDIT COMMITTEE

The audit committee comprised of

1. Mr. Hansraj Goyal - Chairman & Non-Executive, Independent Director
2. Mr. Dayakrishna Goyal - Member & Executive Director
3. Mr. Dinesh Vijayvargia - Member & Non-Executive, Independent Director

The Audit Committee comprises of experts specializing in accounting / financial management. All the members of the Audit Committee are 'financially literate'. Moreover, the Audit Committee has members, who have 'accounting or related financial management expertise'.

Ms. Ela Gupta, Company Secretary acts as the secretary of the Committee.

Statutory Auditors are also invited to attend the meetings.

a. Meetings & Attendance

The Audit Committee has four (4) meetings during the Financial Year 2019-20 and were held on May 17, 2019, August 2, 2019, October 23, 2019 and January 30, 2020

All the members have attended all the meetings.

b. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The terms of reference of audit committee are briefly described as follows:

The terms of reference of the Audit Committee were enlarged by the Board in order to cover the matters specified under revised Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances, and other powers as mentioned in the Regulation 18(3) Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of The Companies Act, 2013.

4. NOMINATION AND REMUNERATION COMMITTEE (NRC)

Remuneration Committee comprised of

- | | | |
|---------------------------|---|--|
| 1. Mr. Dinesh Vijayvargia | - | Chairman & Non-Executive, Independent Director |
| 2. Mr. Hansraj Goyal | - | Member & Non-Executive, Independent Director |
| 3. Mrs. Pratibha Goyal | - | Member & Non-Executive, Non-Independent Director |

The Nomination and Remuneration Committee Meeting was held on April 18, 2019, October 3, 2019 and January 30, 2020 which was attended by all the members.

a. The terms of reference and role of the Nomination & Remuneration Committee as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are as under:

Nomination and Remuneration Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees, formulating criteria for evaluation of performance of independent directors and the board of directors, identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal, and such other roles as per section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Remuneration of Executive Directors:

The total remuneration payable to the Managing Directors/Executive Director for the financial year 2019-2020 is as under:

Name	Mr. Dayakrishna Goyal
Designation	Managing Director
All elements of remuneration package inclusive of Salary, perquisites, commission etc.	Rs. 11,00,000/- (Rupees Eleven Lakhs only)
Service Contract, Notice Period	The contract is for a period of 5 years and the notice of termination is three months on either side.

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. No Severance fees is payable to him on termination of employment.

There is no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company and as per the present criteria.

c. Performance evaluation criteria for Independent Directors

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance evaluation of Executive/Non-Executive/Independent Directors. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement.

The following are the criteria on the basis of which the Directors are evaluated:

- 1) Knowledge to perform the role.
- 2) Time and Level of Participation.
- 3) Performance of Duties and Level of Oversight.
- 4) Professional Conduct and Independence.

d. Appointment and Remuneration Policy

The Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors, CEO & Managing Director, Key Managerial Personnel and their remuneration. This Policy is accordingly derived from the said Charter.

This Committee has powers to recommend/ approve remuneration, Identification of Persons who are qualified to become director, recommend to the board their appointment and removal, approve remuneration of Non-Executive Directors.

• Criteria of selection of Non-Executive Directors

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall

consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

- 1) Qualification, expertise and experience of the Directors in their respective fields;
- 2) Personal, Professional or business standing;
- 3) Diversity of the Board

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

- **CEO & Managing Director - Criteria for selection / appointment**

For the purpose of selection of the CEO & MD, the Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

- **Remuneration for the CEO & Managing Director**

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination and Remuneration Committee and the Board of Directors) and the CEO & Managing Director within the overall limits prescribed under the Companies Act, 2013.

The remuneration of the CEO & Managing Director comprises only of fixed component. The fixed component comprises salary, allowances and perquisites.

- **Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the criticality of roles played and responsibility shouldered, overall experience and personal traits, annual increments are determined based on individual performance.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

In compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted Stakeholders Relationship Committee and the terms of reference of said Committee are as follows:

To look into the redressal of complaints of security-holders on matters relating to transfer of shares, dematerialization of shares, non-receipt of annual report, non-receipt of dividend, matters relating to issue of new share certificates etc.

To look into matters that can facilitate better security-holders services and relations.

To consider and approve issue of share certificates on requests for duplicate certificates, consolidation of folios etc.

To do all such acts, deeds, matters and things as may be necessary or expedient for performing any of the above acts.

The details of composition of the Committee are as under:

Name of the Director	Category	No. of Meeting/ Attended
Mrs. Pratibha Goyal	Chairman of Committee & Non-Executive Non Independent Director	1/1
Mr. Hansraj Goyal	Member & Non-Executive Independent Director,	1/1
Mr. Dayakrishna Goyal	Member & Executive Director	1/1

The Stakeholders Relationship Committee has One (1) meeting during the Financial Year 2019-20 and was held on May 17, 2019.

Ms. Ela Gupta Company Secretary, acts as the Secretary of the Committee. There were no investors complaints received during the year. There were no requests for share transfer/transmission/deletions of names etc. pending as on March 31, 2020 and all such requests were processed and delivered within prescribed time of lodgment with the Company.

Ms. Ela Gupta, Company Secretary has been designated as the Compliance Officer of the Company as per the requirement of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the financial year under review, in Compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, a separate meeting of Independent Directors was held, on February 5, 2020. *inter alia* to:

1. Review the performance of Non-Independent Directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company taking into account the views of the Executive Director and the Non-Executive Director;
3. Assess the quality, quantity and functions of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

7. GENERAL BODY MEETINGS

Financial Year	Day & Date of the Meeting	No. of Special Resolution(s) passed	Special Resolutions passed
2016-17	Friday September 29, 2017 at 10.00 A.M. at Shabari 'SAI-DWAR' Near Laxmi Industrial Estate, Oberoi Complex Road, SAB TV Lane, Andheri (West), Mumbai-400 053	-	No special resolutions passed.
2017-18	Friday September, 2018 at 10.00 A.M. at Shabari 'SAI-DWAR' Near Laxmi Industrial Estate, Oberoi Complex Road, SAB TV Lane, Andheri (West), Mumbai-400 053	-	No special resolutions passed.

2018-19	Monday September 30, 2019 at 10.00 A.M. at Shabari 'SAI-DWAR' Near Laxmi Industrial Estate, Oberoi Complex Road, SAB TV Lane, Andheri (West), Mumbai-400 053	2	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Hansraj Goyal as an Independent Non – Executive Director. 2. Re-appointment of Mr. Dinesh Vijayvargia as an Independent Non – Executive Director.
---------	--	---	---

During the financial year under review, no special resolution was passed through Postal Ballot.

8. MEANS OF COMMUNICATIONS

The Company has promptly reported all material information including Quarterly Results and press releases to the BSE Ltd. 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. Also same are posted on our website: www.upsurgeinvestment.com Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

The Company has made no presentation to any Institutional Investors/Analysts during the financial year.

Management Discussion and Analysis is covered as part of this Annual Report.

Further, Company has in place the (Prohibition of Insider Trading) Regulations, 2015 which came in to force from May 15, 2015. Accordingly, the Directors have approved and adopted the 'Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders' in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015("Code"). Company Secretary is the Compliance Officer for the purpose of this Code.

9. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Day, Date and Time	Wednesday September 30, 2020 at 1.00 P.M.
Venue	The Company is conducting meeting through Video Conferencing and Other Audio-Visual Means pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM.

b. Financial Year:

The Company follows April- March as its financial year. The results for every quarter are declared within prescribed time as per the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

c. Book Closure:

The dates of book closure are from Wednesday, September 23, 2020 to Wednesday September 30, 2020.

d. Dividend:

The company has not declared any dividend for the year ended March 31, 2020.

e. Listing on Stock Exchange:

The Company's shares are listed on Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.

The company has paid the listing fees for the financial year 2020-21 to the Stock Exchange on which Company's shares are listed.

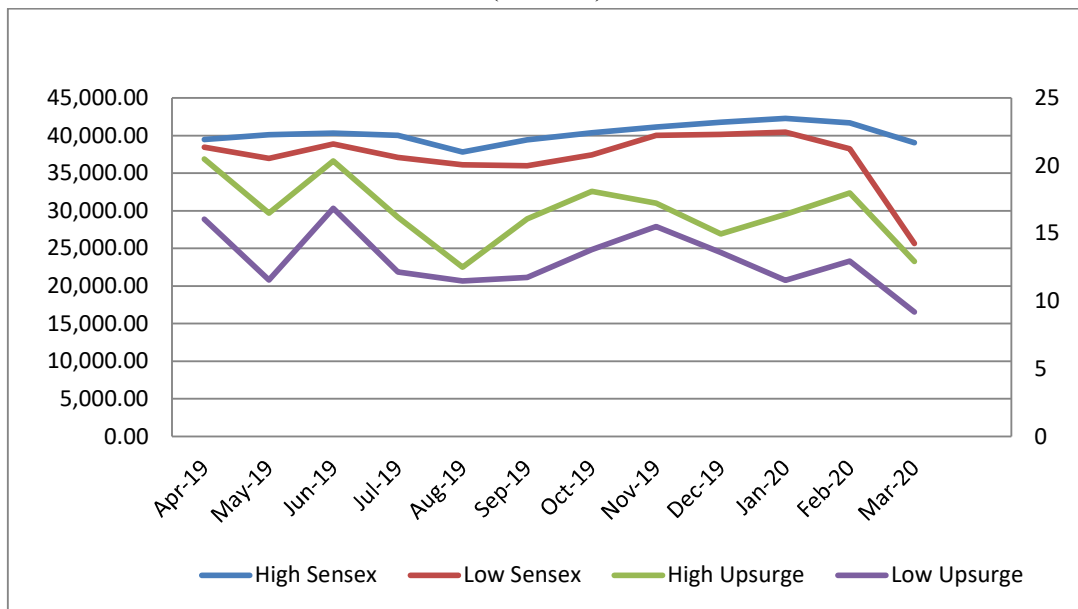
f. Stock Code:

BSE Security Code	531390
ISIN in (NSDL and CDSL)	INE890B01014
Corporate Identity Number (CIN)	L67120MH1994PLC079254

g. Market Price Data:

Month	High (Rs.)	Low (Rs.)
April 2019	20.50	16.05
May 2019	16.50	11.55
June 2019	20.35	16.85
July 2019	16.20	12.15
August 2019	12.50	11.50
September 2019	16.06	11.75
October 2019	18.10	13.81
November 2019	17.25	15.50
December 2019	14.95	13.60
January 2020	16.40	11.53
February 2020	18.00	12.95
March 2020	12.93	9.20

STOCK PERFORMANCE OF UPSURGE INVESTMENT & FINANCE LIMITED VS. BSE INDEX (SENSEX)



h. Registrars and Transfer Agents:

Droit Corporate Services Private Limited is the Registrar and Transfer Agent of the Company.

i. Share Transfer System:

The application for Transfer, Transmission and issue of duplicate shares are received at the office of Registrar and Share Transfer Agent. If the Transfers & Transmission documents are in order, the Transfers & Transmission of shares in physical form is processed with prescribed time from the date of receipt of documents complete in all respect.

j. Distribution of Share Holding as on March 31, 2020

Distribution range of Shares	Share holders		Share holdings	
	Number	%	No. of Shares	%
Upto-100	1118	46.90	90819	0.60
101-500	829	34.77	239795	1.59
501-1000	153	6.42	131796	0.87
1001-2000	95	3.98	144480	0.96
2001-3000	48	2.01	124622	0.83
3001-4000	22	0.92	78789	0.51
4001-5000	15	0.63	71940	0.47
5001-10000	25	1.05	194471	1.28
10001-20000	14	0.59	213899	1.41
20001-50000	21	0.88	797216	5.26
50001 & Above	44	1.85	13064573	86.22
Total	2384	100	15152400	100

k. Shareholding Pattern as on March 31, 2020

Sr. No.	Categories	No. of shares	% of Shareholding
1	Promoter and promoter group	68,18,279	45.000
2	Private Corporate Bodies	30,98,427	20.449
3	Residential Individual	52,09,835	34.382
4	NRI/OCBs	13,600	0.089
5	Mutual Fund/Bank/FII	1,400	0.009
6	Corporate Body –Broker	9,600	0.063
7	Clearing Member	1,259	0.008
	Total	15152400	100.00

l) Dematerialization of Shares:

Your Company's Shares are traded compulsorily in electronic form and company has established connectivity with both the depositories. i.e National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

As on March 31, 2020, 97.52% of shares have been held in Dematerialized form and rest are in physical form.

All promoter shareholding are in dematerialized form (100%)

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

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

n) Address for correspondence

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 Adroit Corporate Services Private Limited as our Registrar and Transfer Agent of the Company at the following addresses:

Adroit Corporate Services Private Limited.

Unit: Upsurge Investment & Finance Limited.

17-20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road,

Marol Naka, Andheri (East),

Mumbai-400 059

Tel No.: 42270400

Email: info@adroitcorporate.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

Email ID for investors Grievances:info@upsurgeinvestment.com

10. OTHER DISCLOSURES

a. RELATED PARTY TRANSACTIONS

The transactions with related parties as per Ind AS - 24 are set out in Notes to accounts under Note no. 36 forming part of financial statements. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company.

The Company has framed Related Party Transaction Policy and is placed on the Company's website and the web link for the same is:

<https://upsurgeinvestment.com/pdf/policies/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf>

b. 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 imposed on the company by the Stock Exchanges or SEBI or any authorities relating to the above.

c. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has formulated Whistle Blower Policy for vigil mechanism as defined under Regulation 22 of SEBI Listing Regulations for directors and employees to report unethical behavior, fraud or violation of the code of conduct of the Company. The policy provides adequate safeguards against victimization of director(s) /employee(s) who avail the mechanism. During the year under review, no employee was denied access to the Audit Committee. During the year under review, there were no instances of whistle blower reported.

d. COMPLIANCE

The Company has complied with the mandatory requirements in terms of the Corporate Governance guidelines. Adoption of discretionary requirement of SEBI Listing Regulations is being reviewed by the company from time to time.

e. SUBSIDIARY COMPANIES:

The Company does not have any material non-listed Indian subsidiary company in terms of Regulation 16 of the Listing Regulations.

f. COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING

The Company did not engage in hedging activities.

g. CERTIFICATE UNDER REGULATION 34(3) OF SEBI LISTING REGULATION

Company has obtain a certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations M/s Kamlesh Jain & Associates, Practicing company secretaries confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by Securities and Exchange Board of India or the Ministry of Corporate Affairs or any other statutory authorities. The said certificate forms part of this report.

h. FEES PAID TO STATUTORY AUDITORS

The total fees incurred by the company for services rendered by Statutory Auditors and its affiliates entities is given below.

(Amount in Rs.)

Particulars	F.Y. 2019-20
Audit Fees	70,800
Tax Audit	29,500
Total	1,00,300

i. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place an Anti-Harassment policy in line with the requirements of The sexual harassment of women at the workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, company has not received any Sexual Harassment Complaints.

- j.** There is no Non-Compliance of any requirement of Corporate Governance Report as per Part C of Schedule V of the SEBI Listing Regulations.

11. 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.

For & on behalf of the Board of Directors

Dayakrishna Goyal
Managing Director
DIN: 00398539

Mumbai, dated August 25, 2020

MD/ CFO CERTIFICATION

The Board of Directors
Upsurge Investment & Finance Ltd.

Subject: Compliance Certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

We, Dayakrishna Goyal, Managing Director along with CFO of Upsurge Investment & Finance Limited hereby certify that:

- A. We have reviewed financial statements and the cash flow statement of the Company for the financial year ended March 31, 2020 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that there is no:
- i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Dayakrishna Goyal
Managing Director
DIN: 00398539

Manish Kabra
CFO

Mumbai dated August 25, 2020

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

As required under Schedule V (D) of the Securities & Exchange Board of India (Listing Obligation and Disclosures Requirement) Regulation 2015, all the Members of the Board of Directors and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2020.

Dayakrishna Goyal

Managing Director
DIN: 00398539

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 March 31, 2020 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with 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 the explanations given to us, we certify that the Company has fully complied with all the mandatory conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

For M/s Jain & Trivedi

Chartered Accountants

FRN. 113496W

Satish Trivedi

Partner

M. No. 038317

UDIN: - 20038317AAAAAX5301

Mumbai, dated August 25, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of

Upsurge Investment & Finance Ltd.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of **Upsurge Investment and Finance Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and loss (including other comprehensive income), the statement of Changes in Equity and the Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on financial statement.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making Judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and Completeness of the accounting records, relevant to the preparation and presentation of the financial Statements that give a true and fair view and are free from materials misstatement, whether due to fraud or error.

In preparing the financial statements, management and the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other Matter

The comparative financial information of the Company for transition date opening balance sheet as at 1st April 2018 included in these standalone financial statements, have been prepared after adjusting previously issued the standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (the Order) issued by the Central Government in terms of Sub-section (11) of Section 143 of the Act, we enclosed in the **Annexure A** statement on matters Specified in paragraph 3 & 4 of the said order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2020 from being appointed as a directors in terms of section 164(2) of the Act.
- f) Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the companies Act, 2013 (“the Act”) is enclosed as an **Annexure B** to this report.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M/s. JAIN & TRIVEDI

Chartered Accountants

FRN 113496W

Satish Trivedi

Partner

M. No.: 038317

UDIN: 20038317AAAAAL7262

Mumbai, dated May 27, 2020

ANNEXURE-A TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in Independent Auditors Report to the members of the company on the financial statements for the year ended March 31, 2020, we report that: -

1. In respect of its fixed assets:
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The Company has a regular program of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
 - c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
2. As explained to us, verification of inventory of shares and securities held in the physical format and those held in the dematerialized format have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such verification.
3. As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.
4. The Company is a Non-Banking Financial Company registered with Reserve Bank of India. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185. Further, provisions of Section 186 are not applicable to the Company. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder to the extent notified.
6. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, income tax, service tax and goods and service tax with effect from 1stJuly, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax or goods and service tax which have not been deposited on account of any dispute.
8. The Company has not defaulted in repayment of Loans or Borrowings from any financial institutions, bank Government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Order is complied.

9. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans and hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
11. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V of the Act.
12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For M/s. Jain & Trivedi

Chartered Accountants

FRN 113496W

Satish Trivedi

Partner

M. No.: 038317

UDIN : 20038317AAAAAL7262

Mumbai, dated May 27, 2020

ANNEXURE B TO THE AUDITOR'S REPORT

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

Opinion

We have audited the internal financial controls over financial reporting of Upsurge Investment & Finance Ltd. ('the Company') as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were operating effectively as at March, 31 2020, based on the internal financial controls with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI').

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

For M/s. Jain & Trivedi

Chartered Accountants

FRN 113496W

Satish Trivedi

Partner

M. No.: 038317

UDIN: 20038317AAAAAL7262

Mumbai, dated May 27, 2020

ADDITIONAL AUDITORS' REPORT

To,

The Board of Directors

Upsurge Investment & Finance Ltd.

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India in terms of Sub-Section (1A) of section 45MA of the Reserve Bank of India Act, 1934, (Act 2 of 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, 2020.
- c. The Company is meeting the required Net Owned fund requirement by the RBI.
- d. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
- e. The company has not accepted any public deposits during the current Financial Year.
- f. 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, 2016.

For M/s. Jain & Trivedi

Chartered Accountants

FRN 113496W

Satish Trivedi

Partner

M. No.: 038317

Mumbai, dated May 27, 2020

BALANCE SHEET AS AT MARCH 31, 2020

(Amount in "000")

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
I ASSETS				
1. Financial Assets				
a. Cash and Cash Equivalents	2	1,046.63	24,996.21	17,404.11
b. Bank Balance other than above	3	45,260.49	528.96	84,874.76
c. Receivables	4	2,220.76	1,372.35	5,906.48
d. Loans	5	55,939.30	80,392.75	76,815.31
e. Investments	6	60,312.89	72,255.97	36,045.00
f. Other financial assets	7	172.67	14.25	-
Total Financial Assets		164,952.74	179,560.49	221,045.66
2. Non - Financial Assets				
a. Inventories	8	55,765.86	63,197.44	67,862.28
b. Current Tax Assets(Net)	9	3,981.33	1,767.04	1,008.64
c. Deferred Tax Assets (Net)		-	-	-
d. Property, plant and equipment	10	260.26	444.13	767.49
e. Other Non - Financial Assets	11	13.50	15.44	29.92
f. Investments				
Total Non - Financial Assets		60,020.95	65,424.05	69,668.33
Total Assets		224,973.69	244,984.54	290,713.99
II EQUITY & LIABILITIES				
1. Financial Liabilities				
a. Trade Payable		-	-	-
b. Borrowings (Other than Debt Securities)	12	26,231.61	6,018.32	54,366.78
c. Other financial Liabilities	13	557.14	326.62	106.70
Total Financial Liabilities		26,788.75	6,344.94	54,473.48
2. Non - Financial Liabilities				
a. Provision	14	299.05	212.86	192.04
b. Other non - financial Liabilities	15	38.50	1.60	9.70
Total Non - Financial Liabilities		337.55	214.46	201.74
Total Liabilities		27,126.30	6,559.40	54,675.22
3. Equity				
a. Equity Share Capital	16	151,524.00	151,524.00	151,524.00
b. Other Equity	17	46,323.39	86,901.14	84,514.77
Total Equity		197,847.39	238,425.14	236,038.77
Total equity and Liabilities		224,973.69	244,984.54	290,713.99
Significant Accounting Policies	1			
See accompanying notes are an integral part of these financial				
As per our report of even date For M/s. JAIN & TRIVEDI Chartered Accountants FRN : 113496W Satish Trivedi Partner M. No. 038317 Mumbai, dated May 27, 2020		For & on behalf of the Board Dayakrishna Goyal Hansraj Goyal Managing Director Independent Director DIN : 00398539 DIN: 00398273 Manish Kabra Ela Gupta Chief Financial Officer Company Secretary ACS 55325		

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in "000")

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Operations			
i. Interest Income	18	13,463.81	19,080.68
ii. Dividend Income	19	1,348.42	635.57
iii. Net gain on fair value change	20 A	812.44	8,516.71
iv. Sale of Share and Securities	21	209,308.41	225,122.20
v. Other Operating Income	22	428.64	2,663.76
I Total Revenue from Operation		225,361.72	256,018.92
II Other Income		-	-
III Total Income (I+II)		225,361.72	256,018.92
Expenses			
i Finance Costs	23	716.71	2,727.89
ii Net loss on fair value change	20 B	13,292.54	-
iii Purchases of Stock-in-Trade	24	234,161.88	227,451.94
iv Changes in Inventories of stock-in-trade	25	7,431.58	4,664.84
v Employee Benefits Expenses	26	3,994.35	3,109.30
vi Depreciation and amortisation expense	10	213.87	255.77
vii Other Expenses	27	6,127.04	5,042.93
IV Total Expenses		265,937.97	243,252.67
V Profit before Tax		(40,576.25)	12,766.25
Tax Expense:			
1. Current Tax	28	-	1,141.82
2. Deferred Tax		-	-
3. Previous Year Tax		1.50	104.19
VI Total Tax Expenses		1.50	1,246.01
VII Net Profit After Tax		(40,577.75)	11,520.24
VIII Other comprehensive income		-	-
IX Total Comprehensive Income		(40,577.75)	11,520.24
X Earnings Per Equity Share (Face Value Rs. 10/-)			
1. Basic (Rs.)		(2.68)	0.76
2. Diluted (Rs.)		(2.68)	0.76
Significant Accounting Policies	1		
See accompanying notes are an integral part of these financial statements			
As per our report of even date For M/s. JAIN & TRIVEDI Chartered Accountants FRN : 113496W Satish Trivedi Partner M. No. 038317 Mumbai, dated May 27, 2020		For & on behalf of the Board Dayakrishna Goyal Managing Director DIN : 00398539 Manish Kabra Chief Financial Officer	
		Hansraj Goyal Independent Director DIN: 00398273 Ela Gupta Company Secretary ACS 55325	

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(Amount in "000")

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Net Profit/(Loss) before tax	(40,576.25)	12,766.25
Depreciation	213.87	255.77
Dividend Income	(1,348.42)	(635.57)
Net (Profit)/loss on financial asset designated at FVT	29,326.93	(8,339.05)
Provision for/ (Reversal of) Standard Ass	(61.13)	8.94
Provision for/ (Reversal of) Equity Option Prem	147.32	11.88
Operating profit / (loss) before working capital changes	(12,297.68)	4,068.22
Changes in working capital		
Increase /(decrease) in other Financial liabilities	230.52	219.92
Increase /(decrease) in other Non Financial liabilities	36.90	(8.10)
Increase /(decrease) in borrowings	20,213.29	(48,348.46)
Decrease / (Increase) in loans	24,453.45	(3,577.44)
Decrease / (Increase) in Advances	(2,365.79)	(2,104.41)
Decrease / (Increase) in Other Non Financial Assets	1.94	14.48
Decrease / (Increase) in Other Financial Assets	(158.42)	(14.25)
Decrease / (Increase) in Inventories	7,431.58	4,664.84
Decrease / (Increase) in Trade receivables	(848.41)	4,534.13
Cash generated from operation	36,697.38	(40,551.07)
Direct taxes paid (net of refund)	150.00	100.00
Net cash flow from / used in operating activities (A)	36,847.38	(40,451.07)
B Cash flow from investing activities		
Dividend Income	1,348.42	635.57
Purchase of fixed assets including intangible assets	(30.00)	-
Purchase of Non Current Investments	(17,383.85)	(27,871.92)
Proceeds from sale of fixed assets		67.59
Net cash used in investing activities (B)	(16,065.43)	(27,168.76)
C Cash flow from financing activities		
Dividend Paid Including DI	-	(9,133.87)
Net cash from financing activities (C)	-	(9,133.87)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	20,781.95	(76,753.70)
Cash and cash equivalents at the beginning of the year	25,525.17	102,278.87
Cash and cash equivalents at the end of the year	46,307.12	25,525.17
Components of Cash and Cash Equivalents	For the year ended March 31, 2020	For the year ended March 31, 2019
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
i) Cash in Hand	612.78	413.96
ii) Balances with scheduled banks		
Current Account	393.76	27.98
Overdraft Account	40.09	-
Deposit Account	-	24,554.27
iii) Bank Balance Other Than Above	45,260.49	528.96
Total cash and cash equivalent:	46,307.12	25,525.17

As per our report of even date

For M/s. JAIN & TRIVEDI

Chartered Accountant

FRN : 113496W

For & on behalf of the Board

Satish Trivedi
Partner
M. No. 038317

Dayakrishna Goyal
Managing Director
DIN : 00398539

Hansraj Goya
Independent Director
DIN: 00398273

Manish Kabra
Chief Financial Officer

Ela Gupta
Company Secretary
ACS 55325

Mumbai, dated May 27, 2020

Statement of change in equity for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

A. Equity Share Capital

For the year ended March 31, 2020

Balance as at April 1, 2019	Changes in Equity Share Capital during the year (refer note 16)	Balance as at March 31, 2020
₹ 151,524.00	-	₹ 151,524.00
For the year ended March 31, 2019		
Balance as at April 1, 2018	Changes in Equity Share Capital during the year (refer note 16)	Balance as at March 31, 2019
₹ 151,524.00	-	₹ 151,524.00

B. Other Equity

For the year ended March 31, 2019

Particulars	Reserve & Surplus				Equity Instrument through Other Comprehensive Income	Total Other Equity
	Securities Premium Reserve	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Retained earnings	General Reserve		
Balance as at April 1, 2018	66,000.00	10,184.70	7,964.94	365.13	-	84,514.77
Profit for the year	-	-	11,520.24	-	-	11,520.24
Dividend for F.Y 2017-18	-	-	(7,576.20)	-	-	(7,576.20)
Corporate Dividend Tax	-	-	(1,557.67)	-	-	(1,557.67)
Appropriation Transfer to Statutory reserves	-	637.00	(637.00)	-	-	-
Other comprehensive income	-	-	-	-	-	-
Changes in fair value of FVOCI equity	-	-	-	-	-	-
Total Comprehensive income as at March 31, 2019	66,000.00	10,821.70	9,714.31	365.13	-	86,901.14

For the year ended March 31, 2020

Particulars	Reserve & Surplus				Equity Instrument through Other Comprehensive Income	Total Other Equity
	Securities Premium Reserve	Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	Retained earnings	General Reserve		
Balance as at April, 2019	66,000.00	10,821.70	9,714.31	365.13	-	86,901.14
Profit for the year	-	-	(40,577.75)	-	-	(40,577.75)
Other comprehensive income	-	-	-	-	-	-
Changes in fair value of FVOCI equity instruments	-	-	-	-	-	-
Total Comprehensive income as at March, 2020	66,000.00	10,821.70	(30,863.44)	365.13	-	46,323.39

The accompanying notes forms an integral part of the standalone financial statements

As per our report of even date

For M/s. JAIN & TRIVEDI

Chartered Accountants

FRN : 113496W

For & on behalf of the Board

Satish C. Trivedi

Partner

M. No. 038317

Dayakrishna Goyal

Managing Director

DIN : 00398539

Hansraj Goyal

Independent Director

DIN: 00398273

Manish Kabra

Chief Financial Officer

Ela Gupta

Company Secretary

ACS 55325

Mumbai, dated May 27, 2020

Notes to the financial statements for the year ended March 31, 2020

Basis of preparation:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (referred to as Ind-AS) as prescribed under section 133 of the Companies, Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of the accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Thousand (INR 000), except when otherwise indicated.

1. Summary of significant accounting policies:

a) Presentation of standalone financial statements

The standalone financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 (the Act) applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

- i. The normal course of business
- ii. The event of default
- iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

b) Statement of compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as explained in the accounting policies below and the relevant provisions of the Act.

Effective April 1, 2019, the Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, with April 1, 2018 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

c) Financial instruments

i. Classification of financial instruments

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through profit or loss

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

ii. Financial assets measured at amortised cost

Debt instruments

These financial assets comprises of bank balances, receivables, investments and other financial assets. Debt instruments are measured at amortised cost where they have:

- a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

iii. Financial Instruments at fair value through profit or loss (FVTPL)

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at FVTPL are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

iv. Reclassification

If the business model under which the Company holds financial assets undergoes changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described in subsequent paragraphs.

v. Recognition and Derecognition of financial assets and liabilities

Recognition:

- a. Loans and Advances are initially recognised when the Financial Instruments are transferred to the customers.
- b. Investments are initially recognised on the settlement date.
- c. Debt securities and borrowings are initially recognised when funds are received by the Company.
- d. Other Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a. Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, the Company has transferred its contractual rights to receive cash flows from the financial asset.

A transfer only qualifies for derecognition if either:

- i. The Company has transferred substantially all the risks and rewards of the asset, or
- ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset

continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

b. **Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the Statement of Profit or Loss.

vi. **Impairment of financial assets**

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Company has grouped its loan portfolio into Micro, Small and Medium Enterprises (MSMEs) and Construction Finance.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The Company classifies all standard advances and advances up to 0-29 days default under this category. Stage 1 loans also include facilities where the credit risk has reduced and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. Financial assets past due for 30 to 89 days are classified under this stage. Stage 2 loans also include facilities where the credit risk has reduced, and the loan has been reclassified from Stage 3.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 90 days Past Due is considered as default for classifying a financial instrument as credit impaired. If an event (for eg. any natural calamity) warrants a provision higher than as mandated under ECL methodology, the Company may classify the financial asset in Stage 3 accordingly.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt financial assets carried at FVTOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
or
- e) The disappearance of an active market for a security because of financial difficulties.

The mechanics of ECL:

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

Probability of Default (PD) - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Loss Given Default (LGD) - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

Exposure at Default (EAD) - The Exposure at Default is an estimate of the exposure at a future default date including the undrawn commitments.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as the underlying asset financed, cash, securities, letters of credit/guarantees, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral.

Collateral repossessed

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages its employees to recover funds, to settle outstanding debt. Any surplus funds

are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

vii. Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subjected to write-offs. Any subsequent recoveries against such loans are credited to the Statement of Profit and Loss.

viii. Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments (as explained in note.) at fair value on each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation are significant and are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is not recognised at the initial recognition stage.

d) **Revenue from operations**

i. **Interest Income**

Interest income is recognised by applying EIR to the gross carrying amount of financial assets other than credit impaired assets and financial assets classified as measured at FVTPL, taking into account the amount outstanding and the applicable interest rate. For credit impaired financial assets, the company applies the EIR to the amortised cost of the financial asset in subsequent reporting period.

The EIR is computed

- a. As the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) in estimating the cash flows
- c. Including all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

ii. **Dividend Income**

Dividend income is recognised when the right to receive the payment is established.

iii. **Net gain on Fair value changes**

Any differences between the fair values of financial assets classified as FVTPL held by the Company on the reporting date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed as “Net loss on fair value changes” under Expenses in the Statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL is recognised in net gain /loss on fair value changes.

However, net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

e) Expenses

i. Finance costs

Finance costs on borrowings is paid towards availing of loan, is amortised on EIR basis over the life of loan.

The EIR in case of a financial liability is computed

- a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows
- c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest expense with the corresponding adjustment to the carrying amount of the liability.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

ii. Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as shortterm employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service

iii. Other income and expenses

All Other income and expense are recognized on accrual basis in the period they occur.

iv. Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

v. Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates

positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /service tax/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/service tax/value added taxes paid, except:

- a. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- b. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f. Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

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

g. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred. **Depreciation**

Depreciation is calculated using the written down value method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Act. The estimated useful lives are as prescribed by Schedule II of the Act. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

h. Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

i. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

j. Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued

at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

k. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

i) Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

ii) Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust as and when necessary.

iii) Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognizes the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to Company's base rate and other fee income/expense that are integral parts of the instrument

l. First time adoption

These standalone financial statements, for the year ended March 31, 2020, are the first standalone financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared standalone financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP standalone financial statements, including the balance sheet as at April 1, 2018 and the standalone financial statements as at and for the year ended March 31, 2020.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd..)

Particulars	As at March 31, 2019		
	As at March 31, 2020	As at April 1, 2018	2018
2 CASH AND CASH EQUIVALENTS			
i. Cash on hand	612.78	413.96	1,055.70
ii. Balance with banks:			
- Current Accounts	393.76	27.98	18.34
- Overdraft Accounts	40.09	-	-
- Deposit with original maturity less than 3 months #	-	24,554.27	16,330.07
Total	1,046.63	24,996.21	17,404.11
3 BANK BALANCE OTHER THEN ABOVE			
Earmarked balances with banks			
- Deposit with original maturity More than 3 months #	45,058.00	323.42	84,874.76
- Unclaimed Dividend Account	202.49	205.54	-
Total	45,260.49	528.96	84,874.76
4 RECEIVABLES			
Secured considered good			
- Outstanding for a period exceeding six months	-	-	-
- Outstanding for a period less than six months	-	-	-
Unsecured considered good			
- Outstanding for a period exceeding six months from the due date of payment	-	-	-
- Outstanding for a period less than six months from the due date of payment	2220.76	1372.35	5906.48
Others			
Total	2220.76	1372.35	5906.48

5 LOANS

PARTICULARS	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Amortised Cost	Total	Amortised Cost	Total	Amortised Cost	Total
A.						
Loans Repayable on Demand	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
Total - Gross (A)	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
Less : Expected Credit Loss	-	-	-	-	-	-
Total - Net (A)	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
B.						
a. Secured by tangible assets	35,014.03	35,014.03	73,783.00	73,783.00	73,278.07	73,278.07
b. Unsecured	20,925.27	20,925.27	6,609.75	6,609.75	3,537.24	3,537.24
Total - Gross (B)	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
Less : Expected Credit Loss	-	-	-	-	-	-
Total - Net (B)	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
C.						
Loans in India						
i. Public Sector						
ii. Others	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
Total - Gross (C)	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
Less : Expected Credit Loss	-	-	-	-	-	-
Total - Net (C)	55,939.30	55,939.30	80,392.75	80,392.75	76,815.31	76,815.31
Grand Total (A+B+C)	167,817.90	167,817.90	241,178.25	241,178.25	230,445.93	230,445.93

Note 1 - The Company's business model is to hold contractual cash flows, being the payment of Principal and Interest till maturity and accordingly the loans are measured at amortised cost.

Note 2 - Term loans are secured against pledge of Shares & Securities

Note 3 - The Company does not have any loans outside India

6 INVESTMENTS

PARTICULARS	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Nos	Amount *	Nos	Amount *	Nos	Amount *
Equity Instruments - Quoted						
Yash Management & Satellite Ltd	2840000	15449.60	2840000	19880.00	2840000	20590.00
(Equity Shares of Rs. 10/- each)						
HG Infra Engineering Limited	186000	31852.50	50000	14157.50	50000	14955.00
(Equity Shares of Rs. 10/- each)						
Capri Global Capital Limited	27540	4713.47	215686	37561.72	-	-
(Equity Shares of Rs. 2/- each)						
Oil India Limited	28200	2332.14	-	-	-	-
(Equity Shares of Rs.10/- each)						
Tata Power Limited	59490	1954.25	-	-	-	-
(Equity Shares of Rs. 1/- each)						
Total A	3141230	56301.96	3105686	71599.22	2890000	35545.00
Equity Instruments - unquoted						
The Bharat Co- Operative Bank Mumbai Ltd	50000	500.00	50000	500.00	50000	500.00
(Equity Shares of Rs. 10/- each)						
Total B	50000	500.00	50000	500.00	50000	500.00
Bonds - Quoted						
State Bank of India	15	155.63	15	156.75	-	-
(Equity Shares of Rs. 10000/- each)						
Total C	15	155.63	15	156.75	-	-
Mutual Fund & ETF						
Nippon India CPSE ETF	208663	3355.30	-	-	-	-
Total D	208663	3355.30	-	-	-	-
Grand Total A+B+C+D	3399908	60312.89	3155701	72255.97	2940000	36045.00
Aggregate book value of quoted investment		87680.95		74573.66		46701.74
Aggregate book value of quoted Mutual Fund & ETF		4276.56		-		-
Aggregate book value of unquoted investment		500.00		500.00		500.00

* Amount at fair value through profit or loss

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
7 OTHERS FINANCIAL ASSETS			
Dividend Receivable	158.42	-	-
Interest Receivable	14.25	14.25	-
Total	172.67	14.25	-
8 INVENTORIES			
Stock - in trade	55765.86	63197.44	67862.28
Total	55765.86	63197.44	67862.28
9 CURRENT TAX ASSETS (NET)			
Advance Tax (net of provision for tax)	3981.33	1767.04	1008.64
Total	3981.33	1767.04	1008.64

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd..)

(Amount in "000")

10 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2019	Addition	Deduction	As at March 31, 2020	As at April 01, 2019	For the year	Deduction	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Furniture & Fixtures	385.97	-	-	385.97	322.61	32.71	-	355.32	30.65	63.36
Office Equipment	578.99	30.00	-	608.99	467.38	81.04	-	548.42	60.57	111.61
Computers	38.50	-	-	38.50	35.45	1.13	-	36.58	1.92	3.05
Vehicels	893.91	-	-	893.91	681.93	92.57	-	774.50	119.41	211.98
Air Conditioner	65.40	-	-	65.40	11.27	6.42	-	17.69	47.71	54.13
TOTAL	1,962.77	30.00	-	1,992.77	1,518.64	213.87	-	1,732.51	260.26	444.13

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2018	Addition	Deduction	As at March 31, 2019	As at April 01, 2019	For the year	Deduction	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Furniture & Fixtures	385.97	-	-	385.97	283.34	39.27	-	322.61	63.36	102.63
Office Equipment	578.99	-	-	578.99	373.71	93.67	-	467.38	111.61	205.28
Computers	38.50	-	-	38.50	30.78	4.67	-	35.45	3.05	7.72
Vehicels	2,245.66	-	1,351.75	893.91	1,854.33	111.76	1,284.16	681.93	211.98	391.33
Air Conditioner	65.40	-	-	65.40	4.87	6.40	-	11.27	54.13	60.53
TOTAL	3,314.52	-	1,351.75	1,962.77	2,547.03	255.77	1,284.16	1,518.64	444.13	767.49

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd..)

(Amount in "000")

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
11 OTHER NON-FINANCIAL ASSETS			
Prepaid Exp	13.50	15.44	29.92
Total	13.50	15.44	29.92
12 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST			
Secured			
Loan Repayable on Demand			
From Banks (Overdraft)*	26,231.61	6,018.32	54,366.78
Total (A)			
Borrowings in India	26,231.61	6,018.32	54,366.78
Borrowings outside India	-	-	-
Total	26,231.61	6,018.32	54,366.78
<p>**The 'Bank Overdraft (against FD' facility) is availed from Bharat Bank & Yes Bank. The rate of Interest for the said Facility is 1% above the interest rate of Fixed Deposits under lien with Yes Bank and@ 0.50% above the interest rate of Fixed Deposits under lien with Bharat Bank The same is secured by fixed deposits with margin as 100%. The loan is repayable in next one year.</p>			
13 OTHER FINANCIAL LIABILITIES			
Unpaid (Unclaimed) Dividend	202.49	205.54	-
Other	354.65	121.08	106.70
Total	557.14	326.62	106.70
14 PROVISION			
Provision for Equity Option Premium	159.20	11.88	-
Provision for Standard Assets	139.85	200.98	192.04
Total	299.05	212.86	192.04
15 OTHER NON-FINANCIAL LIABILITIES			
Other Payables			
Statutory Remittances /Due	38.50	1.60	9.70
Total	38.50	1.60	9.70

16 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Authorised			
1,52,50,000 Equity Shares	152,500.00	152,500.00	152,500.00
(Previous Year 1,52,50,000 of Rs. 10/- each)			
	152,500.00	152,500.00	152,500.00
Issued, Subscribed and Fully Paid-up :			
1,52,40,000 Equity Shares	151,524.00	151,524.00	151,524.00
(Previous Year 1,52,40,000 of Rs. 10/- each)			
	151,524.00	151,524.00	151,524.00

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	Nos		Amount		Nos		Amount	
	Nos	Amount	Nos	Amount	Nos	Amount	Nos	Amount
Equity shares outstanding as at the beginning of the	15152400	151524	15152400	151524	15152400	151524	15152400	151524
Issued during the year	-	-	-	-	-	-	-	-
Equity shares outstanding as at the end of the year	15152400	151524	15152400	151524	15152400	151524	15152400	151524

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

Particulars	Nos		%		Nos		%	
	Nos	%	Nos	%	Nos	%	Nos	%
Gagandeep Multitrade Pvt. Ltd.	2154680	14.22	1535000	10.13	1160000	7.66	1535000	10.13
Dayakrishna Goyal	1250000	8.25	1250000	8.25	1250000	8.25	1250000	8.25
Dayakrishna Goyal (HUF)	1300000	8.58	1300000	8.58	1300000	8.58	1300000	8.58

Terms/Rights attached to equity shares:

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

17 OTHER EQUITY

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 31, 2018
A. Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934			
Opening balance	10,821.70	10,184.70	10,184.70
Add: Transfer during the year	-	637.00	-
Closing balance	10,821.70	10,821.70	10,184.70
B. Securities premium account			
Opening balance	66,000.00	66,000.00	66,000.00
Closing balance	66,000.00	66,000.00	66,000.00
C. General Reserve			
Opening balance	365.13	365.13	365.13
Closing balance	365.13	365.13	365.13
D. Retained earnings (Surplus/deficit in statement of profit and loss)			
Opening balance	9,714.31	7,964.94	19,121.68
Add : Profit of the Year	(40,577.75)	11,520.24	-
Less: Dividend for F.Y 2017-18	-	7,576.20	-
Less: Corporate Dividend Tax	-	1,557.67	-
Less: Appropriation Transfer to Statutory reserves	-	637.00	-
Add/Less: Ind AS adjustments on transition	-	-	(11,156.74)
Amount available for appropriation	(30,863.44)	9,714.31	7,964.94
Grand Total (A+B+C)	46,323.39	86,901.14	84,514.77

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd..)

(Amount in "000")

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
18 INTEREST INCOME		
Interest on loans	9,408.00	13,295.02
Interest on deposits	4,041.56	5,771.41
Interest on Others	14.25	14.25
Total	13,463.81	19,080.68
19 DIVIDEND INCOME		
Dividend Income	1,348.42	635.57
Total	1,348.42	635.57
20 A NET LOSS IN ON FAIR VALUE CHANGE		
(A) Net Loss on financial instruments at fair value through profit or loss		
(i) On trading Portfolio		
Investments In Mutual Fund	812.44	-
Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net Loss on fair Value Change	812.44	-
(D) Fair Value Changes:		
Realised	812.44	-
Unrealised	-	-
Total	812.44	-
20 B NET GAIN ON FAIR VALUE CHANGE		
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading Portfolio		
Investments In Equity	(13,292.54)	8,516.71
Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net gain on fair Value Change	(13,292.54)	8,516.71
(D) Fair Value Changes:		
Realised	16,034.39	177.66
Unrealised	(29,326.93)	8,339.05
Total	(13,292.54)	8,516.71
21 SALE OF SHARES & SECURITIES		
Sale of Shares & Securities	209,308.41	225,122.20
Total	209,308.41	225,122.20
22 OTHER OPERATING INCOME		
Profit from trading activities	2,429.48	935.09
Profit from stock futures	(2,000.84)	1,728.67
Total	428.64	2,663.76

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020 (Contd.)

(Amount in "000")

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
23 FINANCE COST		
Interest Expenses	716.71	2,727.89
Total	716.71	2,727.89
24 PURCHASES OF STOCK-IN-TRADE		
Purchases of Shares & Securities	234,161.88	227,451.94
Total	234,161.88	227,451.94
25 CHANGE IN INVENTORIES OF STOCK - IN - TRADE		
Opening Stock		
-Stock in Trade	63,197.44	67,862.28
Less: Closing Stock		
-Stock in Trade	55,765.86	63,197.44
Total	7,431.58	4,664.84
26 EMPLOYEE BENEFITS EXPENSES		
Salary, Wages, Bonus etc	3,727.29	2,912.75
Staff Welfare expenses	267.06	196.55
Total	3,994.35	3,109.30
27 OTHER EXPENSES		
Electricity charges	90.79	80.26
Rent	408.00	372.00
Repairs to building	208.39	258.46
Repairs to machinery	26.41	53.90
Legal & Professional Fees -	435.99	809.28
Payments to Auditors (including GST)		
- Audit fees	70.80	70.80
- Tax Audit fees	29.50	29.50
Business Promotion	464.79	275.76
Donation paid	1,100.00	38.20
Insurance charges	12.52	21.53
Travelling	227.38	239.89
Conveyance	326.50	271.98
Listing fees & other charges	354.00	295.00
Office expenses	287.27	216.62
Printing, Stationary & xerox	192.02	128.19
Motor car expenses	604.43	508.41
Securities transaction charges	491.41	487.06
Telephone charges	66.32	75.50
Transaction & Service charges	230.05	211.54
Miscellaneous & other expenses	561.60	590.11
Prov for standard Assets	(61.13)	8.94
Total	6,127.04	5,042.93

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
29. COMMITMENTS & CONTINGENT LIABILITY	Nil	Nil
30. FOREIGN CURRENCY TRANSACTION	Nil	Nil

31. IN ACCORDANCE WITH IND AS - 33 EARNINGS PER SHARE

The computation of earnings per share is set out below:

Particulars		For the Year ended March 31, 2020	For the Year ended March 31, 2019
Net Profit after tax as per Statement of Profit and Loss	A	(40,577.75)	11,520.24
Weighted average number of equity shares for Calculating Basic EPS (Nos.)	B	15152400	15152400
Weighted average number of equity shares for Calculating Diluted EPS (Nos.)	C	15152400	15152400
Basic earnings per equity share (in Rupees) (Face value of ` 10/- per share) ₹	A/B	(2.68)	0.76
Diluted earnings per equity share (in Rupees) (Face value of ` 10/- per share) ₹	A/C	(2.68)	0.76

32. SEGMENT INFORMATION (IND-AS 108)**Operating Segment**

The Company operates mainly in the business segment of fund based financing activity. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the provisions of IND AS 108 on 'Operating Segments'

33. INCOME TAXES

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Current Year Income Tax		
In respect of the current year	-	1141.82
	-	1141.82
Previous Year Income Tax		
In respect of prior years	1.50	104.19
	1.50	104.19
Total	1.50	1246.01

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income taxes is summarized below:

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Accounting Profit/(loss) before tax	(44,576.25)	12,766.25
Income Taxable : Normal Income –A	-	4,285.04
Special Income –B		177.66
Normal Tax Rate –C	-	26.00%
Special Tax Rate –D	-	15.60%
i. Derived Tax from Normal Income Charge for the year (A*C)	-	1,114.11
ii. Derived Tax from Special Income Charge for the year (B*D)	-	27.71
Total Income Tax (i+ii)	-	1,141.82

The promulgated Taxation Law (Amendment) Ordinance 2019 has inserted section 115BBA in the Income Tax Act, 1961 providing existing domestic companies with an option to pay tax at a concessional rate of 22% plus applicable surcharge and cess. The Company has irreversibly opted for the new tax rate i.e. 25.17%

34. REMUNERATION TO DIRECTORS

Managerial Remuneration	1,100.00	840.00
Total	1,100.00	840.00

35. AUDITORS REMUNERATION

1	Audit Fees*	55.00	55.00
2	Tax Audit & Other Matters*	30.00	30.00
	Total	85.00	85.00

*The Above fees is inclusive of GST in Current Year and Previous year

36. As per Indian Accounting Standard 24, the disclosure of transactions with Related Parties are given

- i. List of related parties with whom transactions have taken place:

Name of Related Party	Relationship
Sankalp Properties Pvt. Ltd.	KMP is Member
Shri. Dayakrishna Goyal	Key Managerial Personal

Particulars	Related Party	March 31, 2020	March 31, 2019
Rent Paid	Sankalp Properties Pvt. Ltd	408.00	372.00
Managerial Remuneration	Dayakrishna Goyal	1,100.00	840.00

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

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

38. FAIR VALUE MEASUREMENTS**i. Financial instruments by category**

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets						
Investments						
- Equity instruments (Quoted)	56301.96	-	71599.22	-	35545.00	-
- Equity instruments (Unquoted)	-	500.00	-	500.00	-	500.00
- Bonds (Quoted)	155.63	-	156.75	-	-	-
- Mutua Fund & ETF (Quoted)	3355.30	-	-	-	-	-
Receivable	-	2,220.76	-	1,372.35	-	5,906.48
Loans	-	55,939.30	-	80,392.75	-	76,815.31
Cash and cash equivalents	-	1,046.63	-	24,996.21	-	17,404.11
Bank Balances other than above	-	45,260.49	-	528.96	-	84,874.76
Other financial assets	-	172.67	-	14.25	-	-
Total financial assets	59,812.89	105,139.85	71,755.97	107,804.52	35,545.00	185,500.66
Financial liabilities						
Borrowings	-	26,231.61	-	6,018.32	-	54,366.78
Other financial liabilities	-	557.14	-	326.62	-	106.70
Total financial liabilities	-	26788.75	-	6344.94	-	54473.48

ii. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

Particulars	Fair Value As on March 31, 2020					
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets						
Investments	6					
- Equity instruments (Quoted)		56301.96	56301.96			56301.96
- Equity instruments (Unquoted)		500.00			500.00	500.00
- Bonds (Quoted)		155.63	155.63			155.63
- Mutua Fund & ETF (Quoted)		3355.30	3355.30			3355.30
Receivable	4	2,220.76			2,220.76	2,220.76
Loans	5	55,939.30			55,939.30	55,939.30
Cash and cash equivalents	2	1,046.63	1,046.63			1,046.63
Bank Balances other than above	3	45,260.49	45,260.49			45,260.49
Other financial assets	7	172.67			172.67	172.67
Total financial assets		1,64,952.74				1,64,952.74
Financial liabilities						
Borrowings	12	26,231.61			26,231.61	26,231.61
Other financial liabilities	13	557.14			557.14	557.14
Total financial liabilities		26788.75				26788.75

Particulars	Fair Value As on March 31, 2019					
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets						
Investments	6					
- Equity instruments (Quoted)		71599.22	71599.22			71599.22
- Equity instruments (Unquoted)		500.00			500.00	500.00
- Bonds (Quoted)		156.75	156.75			156.75
- Mutua Fund & ETF (Quoted)		-				-
Receivable	4	1,372.35			1,372.35	1,372.35
Loans	5	80,392.75			80,392.75	80,392.75
Cash and cash equivalents	2	24,996.21	24,996.21			24,996.21
Bank Balances other than above	3	528.96	528.96			528.96
Other financial assets	7	14.25			14.25	14.25
Total financial assets		1,79,560.49				1,79,560.49
Financial liabilities						
Borrowings	12	6,018.32			6,018.32	6,018.32
Other financial liabilities	13	326.62			326.62	326.62
Total financial liabilities		6344.94				6344.94

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

Particulars	Fair Value As on April 1, 2018					
	Notes	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets						
Investments	6					
- Equity instruments (Quoted)		35545.00	35545.00			35545.00
- Equity instruments (Unquoted)		500.00			500.00	500.00
- Bonds (Quoted)		-				-
- Mutua Fund & ETF (Quoted)		-				-
Receivable	4	5,906.48			5,906.48	5,906.48
Loans	5	76,815.31			76,815.31	76,815.31
Cash and cash equivalents	2	17,404.11	17,404.11			17,404.11
Bank Balances other than above	3	84,874.76	84,874.76			84,874.76
Other financial assets	7	-				-
Total financial assets		2,21,045.66				221,045.66
Financial liabilities						
Borrowings	12	54,366.78			54,366.78	54,366.78
Other financial liabilities	13	106.70			106.70	106.70
Total financial liabilities		54473.48				54473.48

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments and bonds which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual funds are valued using the closing NAV. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The Company gives loans at floating rates with terms including the fixed interest rate for initial period. The fair value of these loans approximates the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

39. RISK MANAGEMENT

i) Risk Disclosures

Company's risk is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and interest rate risk. It is the Company's policy to ensure that a robust risk awareness is embedded in its organizational risk culture.

ii) Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties.

a) Impairment assessment

i) Exposure at Default

EAD is taken as the gross exposure under a facility upon default of an obligor. The amortized principal and the interest accrued is considered as EAD for the purpose of ECL computation

The advances have been bifurcated into following three stages:

Stage 1 – Advances with low credit risk and where there is no significant increase in credit risk. Hence, the advances up to 0-29 days are classified as Stage 1

Stage 2 – Advances with significant increase in credit risk. Hence the advances from 30 to 89 days are classified as Stage 2

Stage 3 – Advances that have defaulted / Credit impaired advances. Hence the advances with 90 days past due or Restructured Advances are classified as Stage 3. Another loan of the same customer whether in Stage 1 or Stage 2 is also considered as Stage 3 loan.

iii) Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or lifetime ECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk if contractual payments are more than 30 days past due.

iv) Definition of default and cure

The Company considers a financial instrument defaulted and therefore Stage 3 (credit impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate. Such events include:

- a) Significant financial difficulty of the borrower or issuer;
- b) A breach of contract such as a default or past due event;
- c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise; or
- d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

It is the Company's policy to consider a financial instrument as 'cured' and therefore re-classified out of Stage 3 when the borrower makes necessary payments & the borrower is not 90 days past due after such payments. The decision whether to classify an asset as Stage 2 or Stage 1 once cured depends on the updated credit grade, at

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs. "000", except for share data or as otherwise stated)

the time of the cure, and whether this indicates there has been a significant increase in credit risk compared to Initial recognition.

40. RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

Particulars	As at March 31, 2019	As at April 1, 2018
(A) Total Equity as reported under the previous GAAP	241242.83	247195.51
(B) Ind AS Adjustments on account of:		
Fair Valuation of Investments through Profit and Loss	(2,817.69)	(11,156.74)
Total adjustment to Equity (B)		
Total Equity under Ind AS (A+B)	2,38,425.14	2,36,038.77

41. RECONCILIATION STATEMENT OF PROFIT AND LOSS AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

Particulars	Year ended March 31, 2019		
	IGAAP	Adjustments	Ind AS
Revenue from Operations			
Interest Income	19,080.68	-	19,080.68
Dividend Income	635.57	-	635.57
Net gain on fair value change	177.66	8,339.05	8,516.71
Sale of Share and Securities	2,25,122.20	-	2,25,122.20
Other Operating Income	2,663.76	-	2,663.76
Total Revenue from Operation	247679.87	8339.05	2,56,018.92
Other Income	-	-	-
Total Income	247679.87	8339.05	2,56,018.92
Expenses			
Finance Costs	2,727.89	-	2,727.89
Net loss on fair value change	-	-	-
Purchases of Stock-in-Trade	227451.94	-	2,27,451.94
Changes in Inventories of stock-in-trade	4,664.84	-	4,664.84
Employee Benefits Expenses	3,109.30	-	3,109.30
Depreciation and amortisation expense	255.77	-	255.77
Other Expenses	5,042.93	-	5,042.93
Total Expenses	2,43,252.67	-	2,43,252.67

Notes to the financial statements for the year ended March 31, 2020
 (All amounts are in Rs. “000”, except for share data or as otherwise stated)

Profit before Tax	4427.20	8339.05	12,766.25
Tax Expense:		-	
Current Tax	1,141.82	-	1,141.82
Deferred Tax	-	-	-
Previous Year Tax	104.19	-	104.19
Total Tax Expenses	1246.01	-	1,246.01
Net Profit After Tax	3181.19	8339.05	11,520.24

42. Previous year figures have been regrouped/reclassified, wherever necessary, to conform to the current year’s classification.

As per our report of even date
For M/s. JAIN & TRIVEDI
 Chartered Accountants
FRN: 113496W

For and on behalf of Board

Satish Trivedi
 Partner
 M.No. 038317

Dayakrishna Goyal
 Managing Director
 DIN: 00398539

Hansraj Goyal
 Independent Director
 DIN: 00398273

Manish Kabra
 Chief Financial Officer

Ela Gupta
 Company Secretary
 ACS 55325

Mumbai, dated May 27, 2020

Notes to the financial statements for the year ended March 31, 2020 (Contd.....)

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

(Rs. In "000"

	Amount outstanding	Amount Overdue
Liabilities side:		
1 Loans and Advances availed by the NBFC's inclusive of		
(a) Debenture: Secured	-	-
Unsecured (other than falling within the meaning	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans (specify nature)	-	-
Overdraft balance with banks secured against fixed deposits	26,231.61	-
* Please see note 1 below		
2 Break up of (1) (f) above (Outstanding public deposit inclusive of interest		
(a) In the form of unsecured debanture	-	-
(b) In the form of partly secured debanture where there is a shortfall in the	-	-
(c) Other public deposits	-	-
*Please see Note 1 below		
Assets side:		Amount outstanding
3 Break up of Loans and advances including bills receivables (other than those included in (4) below)		
(a) Secured	35,014.03	-
(b) Unsecured	20,925.27	-
4 Break up of Leased Assets and Stock on hire and other assets counting		
i Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
ii Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
iii Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
5 Break-up of Investments:		
Current Investments:		
1 Quoted:		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
2 Unquoted:		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-

Notes to the financial statements for the year ended March 31, 2020 (Contd.....)

Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2016

8 Other information (Rs. In lacs)

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

Notes:

- 1 As defined in Paragraph 2 (1) (xii) of the Non Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- 2 Provisioning norms shall be applicable as prescribed in Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systemically Important Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- 3 All Accounting Standard and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.

As per our report of even date

For JAIN & TRIVEDI

Chartered Accountants

FRN : 113496W

For & on behalf of the Board

Satish Trivedi

Partner

M. No. 038317

Dayakrishna Goyal

Managing Director

DIN: 00398539

Hansraj Goyal

Independent Director

DIN: 00398273

Manish Kabra

Chief Financial Officer

Ela Gupta

Company Secretary

ACS 55325

Mumbai, dated May 27, 2020

SPEED POST/COURIER

To,

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



If Undelivered, Please return to:

Upsurge Investment and Finance Limited

CIN: L67120MH1994PLC079254

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