

***28<sup>th</sup> Annual Report***  
***2021-2022***



**Upsurge Investment & Finance Limited**

**BOARD OF DIRECTORS**

Mr. Dayakrishna Goyal  
Mr. Hansraj Goyal  
Mr. Dinesh Vijayvargia  
Mrs. Pratibha Goyal

**CHIEF FINANCIAL OFFICER**

Mr. Mayank Goyal

**COMPANY SECRETARY**

Ms. Diksha Joshi

**AUDITORS**

M/s. Jain & Trivedi  
Chartered Accountants

**REGISTRAR & SHARE  
TRANSFER AGENT**

Adroit Corporate Services Private Limited  
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

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## NOTICE OF THE 28<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Eighth (28<sup>th</sup>) Annual General Meeting of the Members of **UPSURGE INVESTMENT AND FINANCE LIMITED** will be held on Friday, 30<sup>th</sup> September, 2022 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. Adoption of Audited Standalone Financial Statements**

To consider and adopt the Audited Financial Statements of the company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.

#### **2. Appointment of a Director retiring by rotation**

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.

#### **3. Appointment of M/s Jain & Trivedi, Chartered Accountants as Statutory Auditor of the Company**

To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 141 & 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment or re-enactment thereof, for the time being in force) and pursuant to the recommendation of Audit committee, M/s Jain & Trivedi, Chartered Accountants, Mumbai (Firm Registration No.:113496W) be and is hereby re-appointed as Statutory Auditor of the Company to hold office for a further term of five consecutive years from the conclusion of 28<sup>th</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting to be held in Year 2027-28 on such remuneration and terms and conditions as set out in explanatory statement to this notice.

**RESOLVED FURTHER THAT** Board of Directors of the company, be and are hereby authorized to file the necessary documents/ form(s) with the Registrar of companies and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

### **SPECIAL BUSINESS:**

#### **4. To consider and reappoint Mr. Dayakrishna Goyal as Chairman and Managing Director of the company;**

“**RESOLVED THAT** pursuant to Section 196, 197, 198 and 203 read with Part II, of Schedule V of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the approval of shareholders be and is hereby accorded for the re-appointment of Mr. Dayakrishna Goyal (DIN: 00398539) as Chairman and Managing Director of the Company, for a period of five (5) years with effect from 29<sup>th</sup> July, 2022 to 28<sup>th</sup> July, 2027 at a remuneration inclusive of perquisites, on the terms and conditions set out herein under, with the authority to Board/Nomination and Remuneration Committee to alter/vary the terms and conditions of the said re-appointment, including as to remuneration without further reference to the shareholders of the Company, as it may deem fit and fix the quantum, composition and periodicity of the remuneration payable to Mr. Dayakrishna Goyal, subject however that the remuneration after alteration/variation does not exceed the limit prescribed under Section 197 read with Schedule V of the Act.

**RESOLVED FURTHER THAT** the overall managerial remuneration payable to Mr. Goyal shall be such amount as may be fixed by the Board from time to time but shall not exceed the maximum limit prescribed under Companies Act, 2013 at any point of time and that the terms and conditions of the aforesaid remuneration payable to said Managing Director be varied/alterd / revised within said overall limit, in such manner as may be required.

**RESOLVED FURTHER THAT** where in any Financial Year the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by Board of Directors of the Company from time to time shall be paid as remuneration.

**RESOLVED FURTHER THAT** the Company approves the remuneration where in the event of no profits or inadequate profits in any financial year during the currency of Mr. Dayakrishna Goyal's tenure, the Company shall pay Mr. Goyal, the existing remuneration or any other amount as may be decided by Board as minimum remuneration subject to maximum remuneration shall not exceed the limit prescribed under Part II, of Schedule V of the Act.

- a) Term of appointment: - Five years with effect from July 29, 2022.
- b) Salary: Rs. 1,25,000/- (Rupees One Lakhs Twenty Five Thousand Only) per month payable monthly. The increment will be decided by the Board of Directors of the Company.
- c) Perquisites:
  - i) Leave travel allowance for self and family once in a year as per rules of the Company.
  - ii) Medical expenses actually incurred by him and his family subject to maximum of one month salary
  - iii) Club fees
  - iv) Provision for use of car for official business and personal use of the car will be billed to him.
  - v) Provision for telephone at residence-personal long distance calls will be billed to him.
  - vi) Medical & personal accident insurance.
- d) Gratuity will be payable as per Rules of the Company.
- e) Leave as per Rules of the Company including encashment of unavailed leave at the end of the tenure.

**Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein above, wherein in any financial year, during the currency of the tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate, the Company will pay salary, perquisites and allowances as specified above to the Chairman & Managing Director or any other amount as may be decided by Board as minimum remuneration to him subject to the provisions contained in Section 196, 197, 198 and 203 read with Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

The Chairman & Managing Director so long as he functions as such shall not be paid any sitting fees for attending the meetings of the Board of directors or Committees thereof.

**RESOLVED FURTHER THAT** any Director or the Company Secretary be and is hereby severally authorized to file statutory application and other forms, and to do all such acts, deeds and things as may be necessary and incidental to give effect to the aforesaid Resolution.”

**By Order of the Board**

**Diksha Joshi**

Company Secretary

ACS: 66150

Mumbai, dated 30<sup>th</sup> August 2022



## **NOTES:**

1. The Ministry of Corporate Affairs ('MCA') vide its various circulars issued from time to time have permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM till 31<sup>st</sup> December, 2022. Accordingly, the 28<sup>th</sup> AGM is being conducted through VC/OAVM, hereinafter called as 'e-AGM'.
2. The deemed venue for the 28<sup>th</sup> AGM shall be the registered office of the Company at Office No. 303, Morya Landmark I, Behind Crystal Plaza, Off New Link Road, Andheri (West) Mumbai-400053.
3. Since this General Meeting is held through VC/OAVM the physical attendance of members is dispensed with and no proxies would be accepted by the Company pursuant to the relevant MCA Circulars and SEBI Circular dated May 13, 2022. Hence, no proxy form has been sent along with this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
4. No attendance slip/route map has been sent along with this Notice of the Meeting as the meeting is held through VC/OAVM.
5. Explanatory statement in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), in respect of Statutory Auditor seeking re-appointment, has been annexed to the notice.
6. Details as required in 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 28<sup>th</sup> AGM, forms integral part of the Notice. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
7. The Members may join the 28<sup>th</sup> 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 28<sup>th</sup> AGM and the Company may close the window for joining the VC/OAVM Facility 15 (fifteen) minutes after the scheduled time to start the 28<sup>th</sup> 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 28<sup>th</sup> AGM without any restriction on account of 'first come first served' basis.
8. Members attending the Meeting through VC/OAVM will be counted for the purposes of reckoning of Quorum under Section 103 of the Companies Act.2013. 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. Friday, September 23, 2022.
9. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
10. In Compliance with the Circulars issued by the MCA and SEBI, the Annual Report for the year 2021-22 including Notice of the 28<sup>th</sup> 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, the Annual Report including Notice of the 28<sup>th</sup> AGM of the Company will also be available on the website of the Company at [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com). The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL (agency for

providing the remote e-voting facility and e-Voting system during the 28<sup>th</sup> AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

11. Pursuant to section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Friday, September 30, 2022 (both days inclusive) for the purpose of 28<sup>th</sup> Annual General Meeting.
12. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant(s) and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participant(s). The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.
13. Members who are holding shares in physical form are advised to submit particulars of their bank account, viz. name and address of the branch of the bank, MICR code of the branch, type of account and account number to our Registrar and Share Transfer Agent i.e. Adroit Corporate Services Pvt. Ltd.
14. During the 28<sup>th</sup> 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, the Register of Contracts or arrangements 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 [info@upsurgeinvestment.com](mailto:info@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 2017-18 and FY 2021-22 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, 2022 on the website of the Company at [www.upsurgeinvestment.com](http://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, 2021 may visit the Company's website at [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com) or send their queries at [cs@upsurgeinvestment.com](mailto:cs@upsurgeinvestment.com) at least Seven (7) days before the date of 28<sup>th</sup> AGM. The same will be replied by/ on behalf of the Company suitably.
18. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023, and linking PAN with Aadhaar by March 31, 2022 vide its circular dated November 3, 2021 and December 15, 2021. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's registrars Adroit Corporate Services Pvt. Ltd at [info@adroitcorporate.com](mailto:info@adroitcorporate.com).  
Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, our registrars are obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
19. 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.

**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 for receipt of dividend, the following instructions to be followed:
    - 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.
    - In the case of Shares held in Demat mode, 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. In case of joint holders attending the 28<sup>th</sup> AGM, the member whose name appears as the first holder in the order of names will be entitled to vote.
21. SEBI vide its circular dated 25 January 2022, has mandated listed companies to henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate sharecertificates, transmission, transposition, etc. Accordingly, members who still hold share certificates in physical form are advised to dematerialise their holdings.
22. 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 28<sup>th</sup> AGM using electronic voting system ('remote e-voting') and e-voting (during the 28<sup>th</sup> AGM), provided by CDSL and the business may be transacted through such voting.  
Only those Members who will be present in the 28<sup>th</sup> 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 28<sup>th</sup> AGM.
23. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman (who shall counter sign the same) after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL and RTA, and will also be displayed on the Company's website, [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com).

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- i. The voting period begins on Tuesday, 27<sup>th</sup> September 2022 at 9:00 A.M. (IST) and ends on Thursday, 29<sup>th</sup> September 2022 at 5:00 P.M. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23<sup>rd</sup> September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.  
Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.  
In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the e-voting menu, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Provider i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>

	<p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- v. Login method for e-Voting and joining virtual meeting for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on “Shareholders” module.
  - 3) 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.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Physical Shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• 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.</li> </ul>

- vi. After entering these details appropriately, click on “SUBMIT” tab.
- vii. 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- ix. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- x. 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.
- xi. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xv. 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.
- xvi. **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting Only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - 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.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - 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; bkg\_satyam@yahoo.com and investor@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.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM AND E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. 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 atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). 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 (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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.

**PROCESSES FOR THOSE SHAREHOLDERS WHO'S 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 to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Registered Office:**

Office No. 303, Morya Landmark I  
Behind Crystal Plaza, Off New Link Road,  
Andheri (West), Mumbai - 400 053  
**CIN: L67120MH1994PLC079254**

**By Order of the Board**

**Diksha Joshi**  
COMPANY SECRETARY  
ACS: 66150

Mumbai, dated 30<sup>th</sup> August, 2022



## 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:**

<b>Name of the Director</b>	Mrs. Pratibha Goyal
DIN	00399056
Age	47
Date of first appointment in the current designation	30/09/2014
Qualification	B.Com
Brief Resume	She has working for social causes and has been helping the needy since years. She is associated with many social groups.
Experience (including expertise in specific functional area)	She is a social worker and has extended her hand towards the betterment of the society at large.
Directorships and Committee member-ships held in other listing Companies as on 31.03.2022	Mrs. Goyal is not a director on the board of any other Listed company.
List of Companies in which Director resigned in the past three years	Nil
Inter-se relationship between directors	Mrs. Goyal is Wife of Mr. Dayakrishna Goyal, who is Managing Director of the company.
No. of Meetings of the Board attended	9 out of 9 in the F.Y. 2021-22
Details of remuneration last drawn	Nil
Number of Shares held in the Company	15,87,543
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable

**EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO. 3: APPOINTMENT OF M/S JAIN & TRIVEDI, CHARTERED ACCOUNTANTS AS STATUTORY AUDITOR OF THE COMPANY**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the five year term of M/s. Jain & Trivedi, Chartered Accountants, as statutory auditor of the Company will get over upon conclusion of this Annual General Meeting ('AGM'). The Board of Directors at its meeting held on 30<sup>th</sup> August, 2022, on the recommendation of the Audit Committee, approved the appointment of, Chartered Accountants, (FRN: 113496W) as the Statutory Auditors of the Company to hold office for a term of five years from the conclusion of this 28<sup>th</sup> Annual General Meeting till the conclusion of 33rd Annual General Meeting to be held in 2027-28 subject to the approval of the shareholders, to audit the Financial Statements of the Company.

The Company has received necessary certificates and written consent from M/s Jain & Trivedi, Chartered Accountants, stating that their appointment, if made, will be in accordance with the statutory requirements under the Companies Act, 2013 read with Rule 10 of the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and SEBI (LODR) Regulations, 2015.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in anyway concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out in the Notice under Item No. 3 in relation to the appointment M/s Jain & Trivedi, Chartered Accountants, as the Statutory Auditors of the Company, for approval by the Members of the Company.

Disclosure pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

Proposed audit fee payable to auditors	The fees proposed to be paid to M/s Jain & Trivedi, Chartered Accountants towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) for financial year 2022- 23 shall be Rs. 85,000 p.a.
Terms of appointment	The term of appointment of M/s Jain & Trivedi, Chartered Accountants, shall be for a period of five consecutive financial years starting from the conclusion of the 28th Annual General Meeting of the Company till the conclusion of the 33rd Annual General Meeting of the Company
Any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	The total audit fees payable to M/s Jain & Trivedi, Chartered Accountants, the Statutory Auditors for financial year 2022-23 will be Rs. 85,000/- excluding applicable taxes and reimbursements).
Basis of recommendation and auditor Credentials	<p>M/s Jain &amp; Trivedi, Chartered Accountants is governed by the Chartered Accountants Act, 1949 (the 'Act') and as per the provisions of the Act, firm is subject to peer reviews which are conducted regularly by the Institute of Chartered Accountants of India (ICAI). The Firm serves many clients across various sectors.</p> <p><b>Brief Profile of Statutory Auditors</b></p> <p>M/s Jain &amp; Trivedi, Chartered Accountants, registered with Institute of Chartered Accountants of India (ICAI) having its office at Mumbai is an Accounting and Taxation Firm. It has expanded to cover a wide area of audit, taxation, management consultancy and financial advisory services.</p>

**ITEM NO. 4:**

The term of Mr. Dayakrishna Goyal as a Chairman & Managing Director of the Company has been completed on 28<sup>th</sup> July, 2022. The Board of Directors on the recommendation of the Nomination and Remuneration Committee at their respective meeting held on 23<sup>rd</sup> May, 2022 have re-appointed him as a Chairman & Managing Director of the Company for a further period of five (5) years with effect from 29<sup>th</sup> July, 2022 to 28<sup>th</sup> July, 2027 subject to obtaining the requisite approval of shareholders at the ensuing Annual General Meeting. Their re-appointment and remuneration is in terms of Section 196, 197, 198 and 203 read with Part II, of Schedule V of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Mr. Dayakrishna Goyal is a first generation entrepreneur and Indian businessman. He is a graduate in commerce and possesses Chartered Accountancy degree. He is Chairman & Managing Director of the company. Mr. Goyal lead the initiative of conceptualizing, establishing and nurturing “Upsurge”. He has 31 years of long, in depth experience in fields of finance and capital markets to his credit.

His ability of judgment of high growth oriented mid/small-size companies in very early stage is unmatched. He is known in the business circle for this analytical power. He has spent a major part of his carrier in corporate lending, Investments in primary and secondary markets and advisory to small to mid size companies. He has wide network of contacts in Corporate Investment and Finance sector.

Mr. Dayakrishna Goyal is a Director in the following companies:

- i. Gagan Deep Multitrade Private Limited
- ii. Yash Securities Pvt. Ltd
- iii. Upsurge Shares & Securities Private Limited

The Board therefore recommends the resolution for your approval.

Except Mr. Dayakrishna Goyal and his relatives, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in this Resolution.

**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:**

<b>Name of the Director</b>	Mr. Dayakrishna Goyal
DIN	00398539
Age	54
Date of first appointment in the current designation	29/07/2007
Qualification	Chartered Accountant and Graduate in Commerce
Brief Resume	Mr. Dayakrishna Goyal is a first generation entrepreneur and Indian businessman. Mr. Goyal lead the initiative of conceptualizing, establishing and nurturing “Upsurge”.
Experience (including expertise in specific functional area)	He has 31 years of long, in depth experience in fields of finance and capital markets to his credit. His expertise lies into investment in midsize companies at very early stage.

Directorships and Committee member-ships held in other listing Companies as on 31.03.2022	Mr. Goyal is not a director on the board of any other Listed company
List of Companies in which Director resigned in the past three years	Nil
Inter-se relationship between directors	Mr. Goyal is husband of Mrs. Pratibha Goyal, who is Non- Executive Director of the company.
No. of Meetings of the Board attended	9 out of 9 in the F.Y. 2021-22
Details of remuneration last drawn	Rs.1,25,000./- p.m. (Rupees One Lakh Twenty Five Thousand only)
Remuneration proposed to be paid	Rs.1,25,000./- p.m. (Rupees One Lakh Twenty Five Thousand only)
Number of Shares held in the Company	12,50,000
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable

**By Order of the Board**

**Diksha Joshi**

Company Secretary

ACS: 66150

Mumbai, dated 30<sup>th</sup> August, 2022

## BOARD'S REPORT

To,

The Members

Your directors have pleasure in presenting their Twenty Eighth (28<sup>th</sup>) Annual Report on the business and operations of the company along with the Audited Financial statements for the Financial Year ended 31<sup>st</sup> March, 2022.

### FINANCIAL RESULTS

The summary of the Company's financial performance for FY 2022 as compared to FY 2021 is given below:

(in ₹ lacs)		
Particulars	Year Ended 31 <sup>st</sup> March 22	Year Ended 31 <sup>st</sup> March 21
Total Revenue	3815.80	2829.18
Less: Operating Expenses & Provisions	2725.92	1873.74
<b>Profit/(Loss) before Interest, Depreciation &amp; Taxes(PBIDT)</b>	1089.88	955.40
Less: Interest & Financial Charges	14.98	12.93
Less: Depreciation	1.46	0.60
<b>Profit/(Loss) before Tax</b>	<b>1073.44</b>	<b>954.83</b>
Less: Provision for Taxation		
Current Tax	139.49	46.98
Previous Year Tax	-	-
<b>Profit/(Loss) after Tax</b>	<b>933.95</b>	<b>907.84</b>
<b>Profit/(Loss) After Tax (PAT) including Other Comprehensive Income</b>	<b>933.95</b>	<b>907.84</b>
Statutory Reserve	187.44	181.56
Earnings per Share (EPS) (Rs.)	6.16	5.99

### FINANCIAL PERFORMANCE

During the financial year under review your Company has recorded a 12.42 percent increase in profit before tax as compared to previous financial year despite of economy being affected by devastating second wave of COVID-19. Total income of the Company was Rs. 3815.80 lacs as compared to last year's total income of Rs. 2829.18 lacs. Company has earned net profit of Rs. 933.95 lacs as compared to net profit of Rs. 907.84 lacs of the previous year.

### BUSINESS REVIEW AND STATE OF AFFAIRS OF YOUR COMPANY

Upsurge Investment and Finance Ltd. is a fast-growing NBFC engaged in providing financial advisory, capital-growing and holistic managerial services to small and mid-size enterprises. We have been listed on the BSE since 1996, and have more than two decades of successful financial operations to our name. Our team consists of a host of industry experts and registered chartered accountants with over 120 years of combined experience in financial conceptualization, management and advisory.

We offer a wide range of financial managerial and advisory services, specializing in growth and funding advisory for SMEs. Our services include structured financing and debt syndication, corporate and commercial loan services against equity and commodities, and corporate financial and capital-raising advisory from seed funding to IPOs. We pride ourselves over the ability to identify undervalued businesses and enable them with the financial resources to accelerate and realize their true growth potential.

In addition to our regular funding options, we work with the organization to advise them through their capital-raising processes. We assist their business from its initial seed stages right up till the capital-raising pre-IPO.

#### **MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of the company which occurred between the end of the financial year to which these financial statements relate and the date of this 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 31<sup>st</sup> March 2022. 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.

#### **DIVIDEND**

During the Financial year ended 31<sup>st</sup> March, 2022, Board of Directors declared Interim Dividend @ 5% i.e Rs. 0.50/- per equity share of Rs. 10/- each in their meeting held on 27<sup>th</sup> January, 2022 for the F.Y 2021-22. Dividend was paid on 10<sup>th</sup> February, 2022.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

##### **INDUSTRY STRUTURE & DEVELOPMENT**

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are leveraging their superior understanding of regional dynamics and customised products and services to expedite financial inclusion in India. Lower transactions costs, quick decision making, customer orientation and prompt service standards have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, they are well-suited to bridge the financing gap in a large country like India.

##### **INDIAN ECONOMY**

The Financial Year 2021-22 was fairly a year of recovery from the adverse impacts of COVID-19 pandemic. The Indian economy successfully faced the challenges posed by the second and third waves of the pandemic, thanks to successful implementation of vaccination program, untiring services of the front line warriors, fiscal and monetary policies, and stimulus measures of Reserve Bank of India, central and state governments which gave a much-needed cushion for the stability of the economy.

The Indian economy had begun to recover since the second half of FY 2021. Thus, FY 2022 began with an expectation that we would soon see GDP surpass the pre-pandemic level of the financial year 2019-20 (FY 2020). That has just about been the case, as Chart A shows. Despite the recovery, we as a nation have still lost two years of GDP growth.

##### **FUTURE OUTLOOK**

Non-banking finance companies are likely to see normalisation of business activities in the fiscal year 2022-23, in the absence of any negative event. NBFCs would maintain loan growth of around 14 per cent year-on-year in the next fiscal with growth in the current fiscal at about 7 to 8 per cent.

NBFCs would begin the year with sufficient capital buffers, stable margins and sizeable on-balance sheet provisioning, while adequate system liquidity would aid funding. Nevertheless, an expected increase in systemic interest rates and asset quality issues in some segments due to the lagged impact of pandemic would be a drag on the operating performance.

FY 23 could be a year of normalcy in disbursements. Products such as loans against property, housing loans and vehicle finance could witness a higher demand than personal and unsecured business loans which saw a higher demand during the pandemic.

The gold loan segment could see moderate growth in tandem with gold prices along with opening up of other financing avenues for borrowers.

NBFCs' stage 3 assets could increase to six per cent by 2022-23 from 5.6 per cent in the third quarter of the fiscal. This would primarily be due to slippages from the restructured and Emergency Credit Line Guarantee Scheme supported book. However, the credit cost impact is likely to be moderate as NBFCs have created adequate provisioning buffers.

A rising interest rate would impact funding costs for incremental borrowings across lenders

The existing on-balance sheet liquidity would help in maintaining funding costs for certain quarters but noted that the cost of incremental borrowings is likely to rise across capital market instruments.

## **OPPORTUNITIES**

There are some of the opportunities for the future of NBFC in India which would help them to growth and emerge and contribute in the economy. One of the biggest opportunities for NBFC is its new to credit investment customers. Such customers are those people who belong from the rural area and have never borrowed credits or loans from any financial institution in the past. People from rural areas have limited access to banks and other credit financial institutions and services and they have to rely upon the NBFCs for availing credits. Therefore, NBFCs are a boon for the rural sector. NBFCs have become a profitable segment for such purposes.

Further, NBFCs involves less paper work. The NBFCs are performing in a unique way, by which it can access creditworthiness of the people and provide them loans with less paperwork. For example, the NBFC provides loans to MSME's making base of their invoices due for the payment. Such credit people are the greatest opportunity for NBFC as there are no competitions due to probable risk and the new to credit segment provides a huge opportunity for NBFCs to expand their market base in villages and tier 2 & 3 towns across the country. Majority of population in India lives in areas where banks would not provide loans and financial services because of the absence of requisite paperwork. And such people look for financial help and are capable of returning the loan but face the problem due to paperwork and are denied loans. There NBFCs, becomes a source of help to provide financial aid as it involves less paper work.

Taking into consideration the rise in non- performing assets (NPA), banks are being cautious in relation to credit worthiness of the customers and deny loans for the same. Due to this, credit gap is made. However, in the case of NBFCs, they charge high rate of interest, within the guidelines of the government. The customers accept to pay additional interest rate for loan to the NBFCs in order to skip any complications of complying with the requisites of the banks that are put on them.

Also, keeping in regard the financial needs of the people and the structure of the banks, for the interest of the people the government has exempted NBFC from harsh rules and regulations that are imposed on the other financial institutions, such as in the case of banks. The NBFCs enjoy the flexibility in rules relating to restrictions, paper work, thereby making it suitable for the entrepreneurs to show their interest in NBFC. One such example where the government has provided the opportunities to the NBFC to establish their place in the market is the foreign investment that is permitted to NBFCs up to 100%. There are continuing advantages for the NBFCs, are government takes initiative to implement rules to help in the growth of NBFC.

Further, NBFC has played an important role in contributing towards India's GDP to the extent that the government is also coming forward now and will do so in future to protect the interests and help the NBFCs to grow and emerge as they have been providing financial help and services with easy procedure to the people of the country. The business of NBFC is of profit and their contribution in the growth of the India's GDP shows that NBFCs are working for a better in these past years.

## **CHALLENGES**

Even though there are many opportunities provided to NBFCs for its growth and improvement, yet there are some challenges that are faced by NBFCs in India.

The due diligence is important to optimize the default risk. Since the customers who avail borrowings from NBFCs do not have any credit history, it becomes quite difficult to verify their financial credentials. There NBFCs have to take up additional resources for on- ground visits, reference checks, and etc. all of this adds to the operational cost and becomes difficult to service this segment.

Further, since, new to credit customers do not have any experience on getting financial services, they may not naturally engage with the NBFC to take loans for their business or personal requirements. Therefore, to attract the customers, the NBFCs have to spend additional resources in educating and financial literacy and awareness. On the other hand, once these customers are made aware of the benefits of obtaining a loan from an NBFC, there is an extreme likelihood to convert the lead into real business.

Non- performing assets have been a challenge not only the banks but as well as for the NBFCs. With the new credit customers, the risk remains higher as compared to those customers who have a credit history. Therefore, NBFCs continuously work on checking and balancing so as to make sure that the EMIs are on time and records of the customers remain up to date and any issues are notified immediately.

## **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.

## **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.

## **CHANGES TO SHARE CAPITAL**

The Company had not issued any equity shares either with or without differential rights during the F.Y. 2021-22 and hence, the disclosure requirements under Section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014, are not applicable.

## **RESERVES**

The company proposes to transfer Rs. 187.44 lacs to the statutory reserves out of the amount available for appropriation.

## **DEPOSITS**

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.

## **CHANGES IN NATURE OF BUSINESS, IF ANY**

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



**LISTING OF SHARES**

Company's shares are listed on BSE Limited. The company has paid annual listing fee for Financial Year 2021-22.

**FIXED DEPOSITS**

The Company being non-deposit taking NBFC, has not accepted any deposits from the public during the year under review.

**DIRECTORS**

The composition of the Board is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations, with an appropriate combination of Non-Executive Directors and Independent Directors. The complete list of Directors of the Company has been provided as part of the Corporate Governance Report.

Mr. Dayakrishna Goyal (DIN: 00398539) was re-appointed as the Managing Director of the Company for a term of upto 5 years with effect from 29<sup>th</sup> July, 2022 to 28<sup>th</sup> July, 2027 by the Board based on recommendation of the Nomination and Remuneration Committee ("NRC") of the Company and subject to the approval of members by way of ordinary resolution in ensuing General Meeting.

Section 152 of the Act provides that unless the Articles of Association provide for retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation, of which one-third are liable to retire by rotation. Accordingly, Mrs. Pratibha Goyal, Director of the company, retires by rotation in the ensuing Annual General Meeting and being eligible has offered herself for re-appointment.

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

The terms and conditions of appointment of Independent Directors are also available on the website of the Company at [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com)

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience, expertise and hold highest standards of integrity.

**DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors have submitted the declaration of independence, pursuant to the provisions of Section 149(7) of the Act and Regulation 25(8) of the SEBI Listing Regulations, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgment and without any external influence.

**FAMILIARIZATION PROGRAMME**

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc. The details relating to the familiarization programme are available on the website of the Company at [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com)

**KEY MANAGERIAL PERSONNEL (“KMPs”)**

As at March 31, 2022, the Company had following KMPs:

- 1) Dayakrishna Goyal– Managing Director
- 2) Mayank Goyal– Chief Financial Officer
- 3) Diksha Joshi – Company Secretary

The Board at its Board meeting held on 12th July, 2021, on the recommendation of Nomination or remuneration Committee, appointed Ms. Diksha Joshi as the Company Secretary and Compliance Officer w.e.f 12.07.2021.

**REPORT ON CORPORATE GOVERNANCE**

The Report on Corporate Governance for the year under review is forming a part of the Annual Report. The certificate from the Secretarial Auditors of the Company confirming compliance with the conditions of Corporate Governance is appended to the Corporate Governance Report.

**STATUTORY AUDITORS**

In line with the requirements of the Companies Act, 2013, M/s Jain & Trivedi, Chartered Accountants, (FRN:113496W) was appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years from the conclusion of the 23rd AGM held on 29<sup>th</sup> September, 2017 till the conclusion of the 28<sup>th</sup> AGM to be held in 2022.

The Statutory Auditors holds office until the conclusion of the ensuing Annual General Meeting and is eligible for reappointment.

Your Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

Your Board is of the opinion that continuation of M/s Jain & Trivedi, as Statutory Auditors for term of next 5 years will be in the best interests of the Company and therefore, Members are requested to consider their re-appointment as Statutory Auditors of the Company.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013, the Code of Ethics issued by the Institute of Chartered Accountants of India.

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. 2021-22. The notes to accounts forming part of financial statements are self-explanatory and need no further clarification.

**SECRETARIAL AUDITORS**

M/s Kamlesh Jain & Associates expressed their ineligibility to act as secretarial auditor of the company due to surrender of the certificate of practice and Pursuant to the provision of section 204 of the Companies Act, 2013 and Rules framed there under on 10<sup>th</sup> March, 2022 Board of Directors in their meeting appointed M/s. Mukesh Purohit & Company, Practicing Company Secretaries to undertake the Secretarial Audit of the Company.

Further, in terms of the provisions of Regulation 24A of the SEBI Listing Regulations and Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 issued by SEBI, M/s. Mukesh Purohit & Company has issued the Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable SEBI regulations and circulars / guidelines issued thereunder.

The Secretarial Audit Report for the Financial Year ended 31st March 2022 forms the integral part of the Board Report as **Annexure-II**. There is no adverse remark, qualification, reservation or disclaimer in the Secretarial Audit Report.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

#### **PARTICULARS OF EMPLOYEES**

The information required pursuant to the provisions of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company has been appended as Annexure I to this Report. In terms of first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The said information is available for inspection by the Members. The Board of Directors affirms that the remuneration paid to the employees of the Company is as per the Policy on Directors' appointment and remuneration for Directors, KMPs and other employees and is in accordance with the requirements of the Act and SEBI Listing Regulations and none of the employees listed in the said Annexure are related to any Directors of the Company.

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

##### **• Conservation of Energy & Technology Absorption**

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under sub-section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are given as under:

##### **A. Conservation of Energy:**

- i. the steps taken or impact on conservation of energy:- The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.
- ii. the steps taken by the company for utilizing alternate sources of energy:- The Company has used alternate source of energy, whenever and to the extent possible
- iii. the capital investment on energy conservation equipments:- Nil

##### **B. Technology Absorption:**

- i. The efforts made towards technology absorption: Not Applicable.
- ii. The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.
- iii. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): - The Company has neither purchased within India nor imported any technology.
- iv. The expenditure incurred on Research and Development:- The Company has not incurred any expenditure on Research and Development during the year under review.

##### **• Foreign Exchange Earnings and Outgo**

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

#### **DEPOSITORY SYSTEM**

The Company's Equity Shares are compulsorily tradable in electronic form. As on March 31, 2022, out of the Company's total equity paid-up share capital comprising of 1,51,52,400 Equity Shares, only 3,69,901 Equity Shares were in physical form and the remaining capital was in dematerialised form.

As per SEBI notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities is not processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories.

**Further**, with effect from January 24, 2022, transmission or transposition of securities held in physical or dematerialised form is also effected only in dematerialised form.

Therefore, Members holding securities in physical form are requested to take necessary action to dematerialize their holdings.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors confirm that, to the best of its knowledge and belief:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. 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 as at March 31, 2022 and of the profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the annual accounts on a going concern basis;
5. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
6. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **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.

### **BOARD MEETINGS**

The details of the Board meetings held during FY 22 are disclosed in the Corporate Governance Report appended to this Report.

### **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
- Corporate Social Responsibility 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.

## **AUDIT COMMITTEE**

The Company has constituted an audit committee in terms of the requirements of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and RBI regulations. The details of the same are disclosed in the Corporate Governance Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the requirements of the provisions of Section 135 and Schedule VII of the Act, the Company has constituted a Corporate Social Responsibility (“CSR”) Committee. The composition and terms of reference of the CSR Committee are provided in the Corporate Governance Report. The Company has also formulated a CSR policy (“CSR Policy”) in accordance with the requirements of the Act containing details specified therein, which is available on the website of the Company at [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com).

Further no amount has been spent on CSR activities as compliance relating to the CSR expenditure will be applicable on your Company from the financial year 2022-23 onwards.

## **VIGIL MECHANISM**

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.upsurgeinvestmt.com](http://www.upsurgeinvestmt.com).

## **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY**

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 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 were 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](http://www.upsurgeinvestment.com)

## **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, **09 (Nine)** Board Meetings were held during the year ended 31<sup>st</sup> March 2022, the dates are **12<sup>th</sup> April, 2021, 18<sup>th</sup> May, 2021, 12<sup>th</sup> July, 2021, 10<sup>th</sup> August, 2021, 31<sup>st</sup> August, 2021, 20<sup>th</sup> October, 2021, 8<sup>th</sup> November, 2021, 27<sup>th</sup> January, 2022, 10<sup>th</sup> March, 2022**. 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 31<sup>st</sup> March, 2022 a separate meeting of the Independent Directors was held on 27<sup>th</sup> January, 2022, 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.

## **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 31<sup>st</sup> March, 2022. 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.

## **CORPORATE 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 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

## **REPORTING FRAUD**

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

## **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](http://www.upsurgeinvestment.com). The details of the transactions with Related Parties as per Ind AS 24 are provided in the accompanying financial statements.

## **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).

## **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.

## **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.

## **MD/CFO CERTIFICATION**

The Managing Director & CFO of your Company have issued necessary certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations and the same forms part of this Annual Report.

## **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.

#### **ANNUAL RETURN AS PRESCRIBED UNDER THE ACT**

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year 2021-22 is available on the Company's website at <https://upsurgeinvestment.com/investors/financial-reports/>

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators / courts which would impact the going concern status of the Company and its future operations.

Further, no penalties have been levied by RBI / any other regulators during the year under review.

#### **RBI REGULATIONS**

The Company has complied with the applicable regulations of RBI as on March 31, 2022.

#### **OTHER DISCLOSURES**

During the year under review, the Company has not obtained any registration / license / authorisation, by whatever name called from any other financial sector regulators.

#### **ACKNOWLEDGEMENT**

The Directors express their sincere gratitude to the RBI, SEBI, BSE Limited, National Stock Exchange of India Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in the Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries across all levels, for exhibiting outstanding performance during such challenging times.

For and on behalf of the Board of Directors of  
Upsurge Investment and Finance Limited

**Dayakrishna Goyal**  
Managing Director  
DIN: 00398539

**Hansraj Goyal**  
Independent Director  
DIN: 00398273

Mumbai, 30<sup>th</sup> August 2022



# 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 – 3.80:1	
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)	25%
		Mr. Mayank Goyal– CFO	11.11%
		Mr. Diksha Joshi- Company Secretary	10%
3	Percentage increase in median remuneration of employees in the financial year	6%	
4	Number of permanent employees on the rolls of the company	8	
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 5% and the average increase in the managerial remuneration during the last financial year was 25%.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

For and on behalf of the Board of Directors of  
Upsurge Investment and Finance Limited

SD/-

**Dayakrishna Goyal**

Managing Director

DIN: 00398539

Mumbai, 30<sup>th</sup> August, 2022

## ANNEXURE- II

### Form No. MR-3 Secretarial Audit Report

(For the Financial year ended March 31, 2022)

[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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 according to the provisions of:
- i. The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made thereunder;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder 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. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the listed entity during the Review Period)
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the listed entity during the Review Period)
- e. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the listed entity during the Review Period)
- f. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the listed entity during the Review Period)
- g. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the listed entity during the Review Period)
- h. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and circulars/ guidelines issued thereunder;
- i. Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the listed entity during the Review 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 except Non-Compliance with requirement to appoint a qualified company secretary as compliance officer for 162 days.

However, the Company had filled the vacancy created by resignation of Ms. Ela Gupta as a qualified company secretary with effect from 31<sup>st</sup> January, 2021 by appointing Ms. Diksha Joshi as a qualified company secretary and compliance officer with effect from 12<sup>th</sup> July, 2021 and complied with the requirements of the said regulation.

**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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 were sent at least seven days in advance 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 Mukesh Purohit & Company  
Company Secretaries**

**Mukesh Purohit  
Proprietor  
ACS- 48563  
CP No. 25204  
Place: Mumbai  
Date: 30<sup>th</sup> August, 2022**

**UDIN: A048563D000858561  
Peer Review Certificate Number: 1946/2022**

Note: This report is to be read with our letter of even date which 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 Mukesh Purohit & Company**  
**Company Secretaries**

**Mukesh Purohit**  
**Proprietor**  
**ACS- 48563**  
**CP No. 25204**  
**Place: Mumbai**  
**Date: 30<sup>th</sup> August, 2022**

**UDIN: A048563D000858561**  
**Peer Review Certificate Number: 1946/2022**

## REPORT ON CORPORATE GOVERNANCE

[As per Regulation 34(3) read along with Schedule V(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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 CODE OF GOVERNANCE

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization.

The Company believes that since the trust of our stakeholders is the best asset, therefore we believe in attaining highest level of transparency, fairness & professionalism towards all our stakeholders including shareholders, employees, customers, the government, lenders and the society at large and aims at providing maximum return to all our stakeholders by way of value creation.

The Company complies with all the stipulations laid down in the Listing Agreement, Listing Regulations & with all other provisions of various acts as and when applicable on the Company to ensure good corporate governance.

### 2. BOARD OF DIRECTORS & BOARD MEETINGS

The members of the Board of the Company are eminent personalities from various fields and are entrusted with the responsibilities of management, general affairs, direction and performance of the Company. The Board is responsible for and committed to sound principles of Corporate Governance in the Company.

As on 31st March, 2022, the Company has Four Directors and out of which 1 (One) is an Executive Director, 1 (One) is a Non-Executive Director and 2 (Two) are Independent, Non-Executive Directors.

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act.

None of the Directors hold office in more than ten Public Companies. None of the Independent Directors of the company serve as an Independent Director in more than seven listed companies. All Directors are also in compliance with the limit on Independent Directorships of listed companies as prescribed under SEBI (LODR) Regulations, 2015.

Other directorships do not include alternate directorships, of companies registered under section 8 of the Companies Act, 2013 and of companies incorporated outside India.

Board of Directors of the company is much more aware on Company's business, Risk, Opportunities, Policies, Business Strategy, Sales and Marketing, Corporate Governance etc.

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all the Companies in which he/she is a Director.

All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

#### a. Composition and category of Directors:

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.

As at 31st March, 2022, the composition of the Board of the Company was as follows:

Sr. No.	Name of the Director	Category
1.	Mr. Dayakrishna Goyal	Promoter/ Executive and Managing Director
2.	Mrs. Pratibha Goyal	Promoter/ Non Executive Director

3.	Mr. Hansraj Goyal	Non Executive/ Independent Director
4.	Mr. Dinesh Vijayvargia	Non Executive/ Independent Director

**b. Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting**

During the Financial Year 2021-22, 9 (Nine) Board Meetings were held on 12th April, 2021, 18th May, 2021, 12th July, 2021, 10th August, 2021, 31st August, 2021, 20th October, 2021, 8th November, 2021, 27th January, 2022 and 10th March, 2022.

Sr. No.	Name of Director	12 April 2021	18 May 2021	12 July 2021	10 Aug 2021	31 Aug 2021	20 Oct 2021	8 Nov 2021	27 Jan 2022	10 Mar 2022	AGM 30 Sept 2021
1.	Mr. Dayakrishna Goyal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Mrs. Pratibha Goyal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Mr. Hansraj Goyal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Mr. Dinesh Vijayvargia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**c. The composition of the Board, Directorships/Membership of Committee of other Companies as on 31<sup>st</sup> March 2022, 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	Attendance of previous AGM held on 30 <sup>th</sup> September, 2021	Directorship in another Public Ltd. Companies*	Directorship in another listed entities & category
Mr. Dayakrishna Goyal	Managing Director, Executive	Spouse of Mrs. Pratibha Goyal	12,50,000	Yes	-	-
Mr. Dinesh Vijayvargia	Non-Executive, Independent Director	-	NIL	Yes	-	-
Mrs. Pratibha Goyal	Non-Executive, Non Independent Director	Spouse of Mr. Dayakrishna Goyal	15,87,543	Yes	-	-
Mr. Hansraj Goyal	Non-Executive, Independent Director	-	NIL	Yes	-	-

None of the Directors on Board is Member of Board level committees and Chairman of such committees, across all other public Ltd. companies in which he or she is a director.

\*As required under the 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.

**d. Web link where details of familiarization programmes imparted to independent Directors is disclosed**

The details of familiarization programmes imparted to independent directors are available at the website of the Company [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com)

**e. 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.

**f. Detailed reasons for the resignation of the Independent directors who resigns before the expiry of his/her tenure.**

No Independent Director has resigned from the Company before the expiry of his/her tenure in the financial year 2021-22.

**g. Confirmation for Independent Directors**

The Board of the Company confirms that all Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management.

**h. 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



Name of Director	Skills
<b>Mr. Dayakrishna Goyal</b>	Strategic policy formulation and advising, Regulatory framework knowledge, financial performance, advising on Risk mitigation and Compliance requirements
<b>Mrs. Pratibha Goyal</b>	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.
<b>Mr. Hansraj Goyal</b>	Knowledge of Commercial acumen and able to guide in building the right environment for Human Assets Development. 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
<b>Mr. Dinesh Vijayvargia</b>	Knowledge of Commercial acumen and able to guide in building the right environment for Human Assets Development

### 3. AUDIT COMMITTEE

The Company has an Audit Committee in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

#### a. Brief description of terms of reference:

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 the 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.

#### b. Composition, name of members and chairperson:

The Composition of Audit Committee as on 31st March, 2022 is as under:

Sr.No.	Name	Category	Designation
1.	Mr. Hansraj Goyal	Non-Executive and Independent Director	<b>Chairman</b>
2.	Mr. Dayakrishna Goyal	Executive Director	<b>Member</b>
3.	Mr. Dinesh Vijayvargia	Non-Executive and Independent Director	<b>Member</b>

Ms. Diksha Joshi, Company Secretary acts as the secretary of the Committee w.e.f. 12th July, 2021.

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'.

Statutory Auditors are also invited to attend the meetings.

**c. Meetings & Attendance during the Year:**

Sr. No.	Name	18 May 2021	10 August 2021	31 August 2021	20 October 2021	8 November 2021	27 January 2022
1.	Mr. Hansraj Goyal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Mr. Dayakrishna Goyal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Mr. Dinesh Vijayvargia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**4. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

The composition of the Nomination and Remuneration Committee and the terms of reference meet with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and provisions of the Companies Act, 2013.

**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. Composition, Name of Members and Chairperson of Committee:**

The Composition of Nomination and Remuneration Committee as on 31st March, 2022 is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Dinesh Vijayvargia	Non-Executive, Independent Director	Chairman
2.	Mr. Hansraj Goyal	Non-Executive, Independent Director	Member
3.	Mrs. Pratibha Goyal	Non-Executive, Non-Independent Director	Member

**c. Meetings and attendance during the year**

Sr.No.	Name	12 <sup>th</sup> July 2021	20 <sup>th</sup> October, 2021
1.	Mr. Dinesh Vijayvargia	<input type="checkbox"/>	<input type="checkbox"/>
2.	Mr. Hansraj Goyal	<input type="checkbox"/>	<input type="checkbox"/>
3.	Mrs. Pratibha Goyal	<input type="checkbox"/>	<input type="checkbox"/>

**d. Remuneration of Executive Directors:**

The total remuneration payable to the Managing Directors/Executive Director for the financial year 2021-22 is as under:

Name	Mr. Dayakrishna Goyal
Designation	Managing Director
All elements of remuneration package inclusive of Salary, perquisites, commission etc.	Rs. 13.50 Lacs
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 as well as Independent 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 fee is payable to him/her on termination of employment.

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

**e. 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.

**f. 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 2021-22 and was held on 27<sup>th</sup> January 2022.

Ms. Diksha Joshi, Company Secretary, appointed as secretary of Committee w.e.f. 12<sup>th</sup> July, 2021. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31<sup>st</sup> March 2022 and all such requests were processed and delivered within prescribed time of lodgment with the Company.

Ms. Diksha Joshi, 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 w.e.f. 12<sup>th</sup> July 2021.

**Details of Complaints:**

Particulars	No. of Complaints
Investor complaints pending at the beginning of the year	0
Investor complaints received during the year	1
Investor complaints disposed off during the year	1
Investor complaints remaining unresolved at the end of the year	0

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee in their meeting held on **23<sup>rd</sup> May, 2022** and the terms of reference of said Committee are as follows:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII and suggest any changes thereto
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the CSR policy of the Company from time to time
- Update the Board on the implementation of various programmes and initiatives
- Formulate and recommend to the Board for its approval, an annual action plan in pursuance to the CSR policy

**a. Composition, name of members and chairperson:**

The Company has appointed the CSR committee on 23<sup>rd</sup> May, 2022. The Composition of Corporate Social Responsibility Committee is as under:

Sr. No.	Name	Category	Designation
1.	Mr. Dayakrishna Goyal	Executive Director, Chairperson	Chairman

2.	Mrs. Pratibha Goyal	Non-Executive - Non Independent Director, Member	Member
3.	Mr. Hansraj Goyal	Non-Executive - Independent Director, Member	Member

**b. Meetings & Attendance**

No committee meeting was held during the financial year 2021-22 as CSR compliance were not applicable on the Company during 2021-22.

**7. RISK MANAGEMENT COMMITTEE**

The Company is not required to constitute Risk management Committee. However the company has a well defined risk management framework in place. The risk management framework is at various levels across the company.

**8. 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 27<sup>th</sup> January, 2022 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.

**9. GENERAL BODY MEETINGS**

Financial Year	Day & Date of the Meeting	No. of Special Resolution(s) passed	Special Resolutions passed
2018-19	Monday, 30 <sup>th</sup> September, 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	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Hansraj Goyal as an Independent Non-Executive Director.</li> <li>• Re-appointment of Mr. Dinesh Vijayvargia as an Independent Non – Executive Director.</li> </ul>
2019-20	Wednesday, 30 <sup>th</sup> September, 2020 at 1.00 P.M. through Video Conferencing /other audio visual means (VC/OAVM).	2	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Kiran Vaidya as an Independent Non - Executive Director.</li> <li>• Re-appointment of Mr. Sukdeo Agrawal as an Independent Non - Executive Director.</li> </ul>
2020-21	Thursday, 30 <sup>th</sup> September, 2021 at 1.00 P.M. through Video Conferencing /other audio visual means (VC/OAVM).	0	Nil

**During the financial year under review, no special resolution was passed through Postal Ballot. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of Resolution through Postal Ballot.**

## 10. 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.

The quarterly, half-yearly and annual financial results are published in widely circulated newspapers such as Business Standard (English) and Mumbai lakshadeep (Marathi) in compliance with the Regulation 47 of the Listing Regulations. These are not sent individually to shareholders.

Also same are posted on our website: [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com). Further, all other price sensitive and other information's are 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 15<sup>th</sup> May, 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.

## 11. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting

Day, Date and Time	Thursday 30 <sup>th</sup> September 2022 at 1.00 P.M.
Venue	Participation through video-conferencing

### b. Book Closure:

The dates of book closure are from Friday, 23<sup>rd</sup> September 2022 to Friday, 30<sup>th</sup> September 2022.

### c. 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.

### d. Dividend Payment Date:

The company has declared interim dividend of Rs.0.50 per share for the financial year 31st March, 2022 in the Board Meeting held on 27<sup>th</sup> January, 2022 and the payment was made within 30 days of declaration.

### 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 2021-22 to the Stock Exchange on which Company's shares are listed.

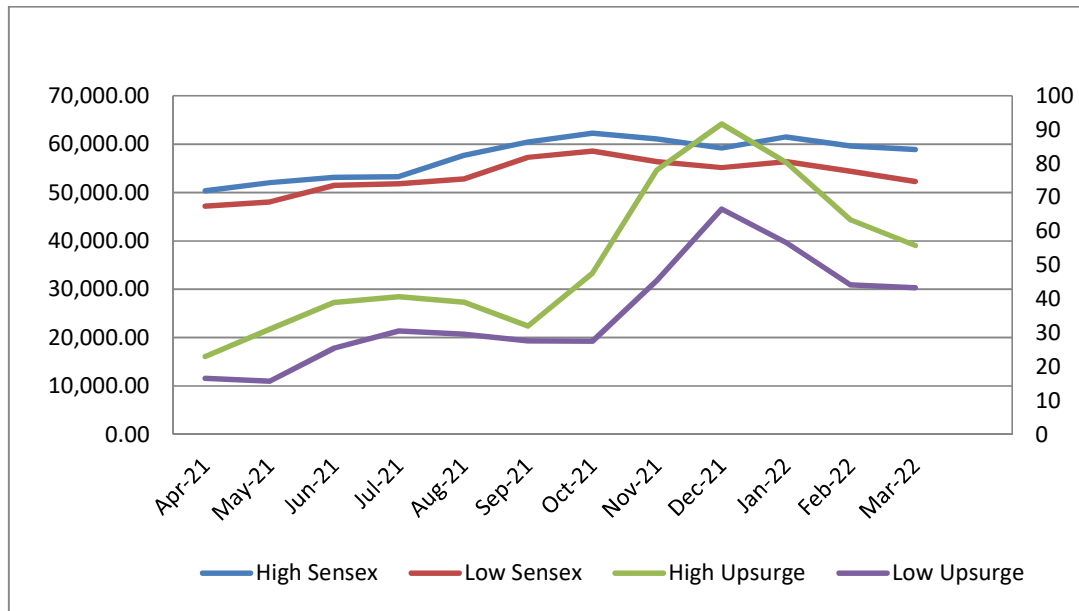
### f. Stock Code:

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

**g. Market Price Data: High/Low During each month in the Last Financial Year**

Month	High (Rs.)	Low (Rs.)
April 2021	23.00	16.45
May 2021	31.05	15.70
June 2021	38.95	25.45
July 2021	40.65	30.50
August 2021	39.05	29.55
September 2021	31.95	27.60
October 2021	47.55	27.50
November 2021	78.05	45.50
December 2021	91.70	66.55
January 2022	80.30	56.65
February 2022	63.30	44.10
March 2022	55.80	43.30

**h. STOCK PERFORMANCE OF UPSURGE INVESTMENT & FINANCE LIMITED VS. BSE INDEX (SENSEX) High sensx and low sensx**



**i. Suspension of Securities:**

Not Applicable

**j. Registrars and Transfer Agents:**

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



**k. 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.

**l. Distribution of Share Holding as on 31<sup>st</sup> March 2022**

Distribution range of Shares	Share holders		Share holdings	
	Number	%	No. of Shares	%
Upto-100	1927	55.76	115208	0.76
101-500	1072	31.02	297081	1.96
501-1000	198	5.73	161352	1.06
1001-2000	99	2.86	147871	0.98
2001-3000	40	1.16	103321	0.68
3001-4000	16	0.46	57245	0.38
4001-5000	12	0.35	55872	0.37
5001-10000	24	0.69	198418	1.31
10001-20000	11	0.32	163946	1.08
20001-50000	15	0.43	609097	4.02
50001 & Above	42	1.22	13242989	87.40
<b>Total</b>	<b>3456</b>	<b>100</b>	<b>15152400</b>	<b>100</b>

**m. Shareholding Pattern as on 31<sup>st</sup> March 2022**

Sr. No.	Categories	No. of shares	% of Shareholding
1	Promoter and promoter group	7554823	49.86
2	Private Corporate Bodies	3480271	22.97
3	Residential Individual	4079372	26.92
4	NRI/OCBs	27021	0.18
5	Mutual Fund/Bank/FII	900	0.01
6	Corporate Body –Broker	9,790	0.06
7	Clearing Member	223	0.00
<b>Total</b>		<b>15152400</b>	<b>100.00</b>

**n. Dematerialization of Shares and liquidity:**

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 31<sup>st</sup> March, 2022, 97.56% of shares have been held in Dematerialized form and rest are in physical form.

All promoter shareholding are in dematerialized form (100%).

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

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

**p. Commodity price risk or foreign exchange risk and hedging activities**

Your Company does not deal in any commodity and hence is not directly exposed to any commodity price risk. Further, the company has no foreign exchange exposure; hence hedging is not required.

**q. Plant Location**

Not Applicable

**r. 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

**s. List of Credit Ratings**

During the year under review your company has not obtained any Credit Rating as the same was not applicable to the company.

**12. 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. 35 forming part of financial statements. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 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.

**b. WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS IS DISCLOSED:**

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://drive.google.com/file/d/1YtRM64axAyokbp\\_8KzaHK-tbAYORnwXR/view](https://drive.google.com/file/d/1YtRM64axAyokbp_8KzaHK-tbAYORnwXR/view)

**c. DETAILS OF NON-COMPLIANCE(S) BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON LISTED ENTITY BY STOCK EXCHANGE OR SEBI OR ANY STATUORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS DURING THE LAST THREE YEARS:**

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.

**d. 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.

**e. 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.

**f. SUBSIDIARY COMPANIES:**

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

**g. COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING:**

The Company did not engage in hedging activities.

**h. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32(7A):**

During the period under review, Company had not raised funds through preferential allotment or qualified institutions placement as specified under regulation 32(7a).

**i. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENT AND ADOPTION OF NON MANDATORY REQUIREMENT**

Your Company has complied with all the applicable requirements of Regulations 17 to 27 and clause (b) to (i) and (t) of Regulation 46(2) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the Company has fulfilled the following non-mandatory requirements as prescribed in Regulation 27(1) read with PART E of Schedule II of (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Shareholders' Rights: As the quarterly, half yearly, financial performance and summary of significant events in last six-months are published in the newspapers and are also posted on the Company's website, the same are not mailed to the shareholders.

Modified opinion(s) in audit report: During the year under review, the Auditors have provided an unmodified audit opinion on the financial statements of the Company.

**Reporting of Internal Auditor:** In accordance with the provisions of Section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

**j. COMPLIANCE CERTIFICATE BY PRACTICING COMPANY SECRETARY FOR NON DISQUALIFICATION OF DIRECTOR**

Company has obtained a certificate pursuant to the Regulation 34(3) read with Schedule V of the Listing Regulations M/s. Mukesh Purohit & Company, 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.

**k. DISCLOSURE ON ACCEPTANCE OF RECOMMENDATIONS MADE BY THE COMMITTEES TO THE BOARD OF DIRECTORS**

During the Financial Year under review various recommendations were made by the Committees to the Board of Directors, which were all accepted by the Board, after necessary deliberations.

**l. 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 Thousands)

Particulars	F.Y. 2021-22
Audit Fees	70.80
Tax Audit & Other Matters	29.50
<b>Total</b>	<b>100.30</b>

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

The sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013 is not applicable to company.

**n. DISCLOSURE FOR LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT**

The Company has not made any Loans and advances in the nature of loans to firms/companies in which directors are interested during the FY 2021-22.

**13. NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT OF SUB PARAS (2) to (10) ABOVE, WITH REASONS THEREOF**

Non-Applicable, since Company has complied with all the requirement of Corporate Governance Report of sub-paras (2) to (10) of Part C of Schedule V of Listing Regulations.

**14. MD & CFO CERTIFICATE**

In terms of regulation 17(8) of the Listing Regulations, the Managing Director & CEO and the CFO made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committees and taken on record by the Board. The same is attached as 'Annexure II'.

**15. CEO CERTIFICATION AFFIRMING COMPLIANCE WITH THE CODE OF CONDUCT**

The Certificate from CEO as required under Part D of Schedule V of the Listing Regulations containing declaration as to affirming compliance with the Code of Conduct of Board of Directors and Senior Management attached as 'Annexure III'.

**16. COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

Certificate from M/s. Jain & Trivedi, Chartered Accountants, confirming compliances with the conditions of Corporate Governance as stipulated under the Listing Regulations attached as 'Annexure IV'.

**17. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

The Company does not have any shares in the demat suspense account/unclaimed suspense account.

**18. RECONCILIATION OF SHARE CAPITAL AUDIT**

A qualified Practicing Chartered Accountant carried out Reconciliation of Share Capital Audit to reconcile the total Admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total Issued and Listed Capital. The audit confirms that the total Issued/ Paid-up Capital is in agreement with the total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL.

**19. 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, 30<sup>th</sup> August 2022

**ANNEXURE - II**  
**MD/ CFO CERTIFICATION**

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

Dear Sir(s)/Madam,

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

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

- A. We have reviewed financial statements and the cash flow statement of the Company for the financial year ended 31<sup>st</sup> March 2022 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

**Mayank Goyal**  
CFO

Mumbai dated 30<sup>th</sup> August 2022

### **ANNEXURE - III**

#### **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 31<sup>st</sup> March, 2022.

**Dayakrishna Goyal**

**SD/-**

Managing Director

DIN: 00398539

## **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The members

**Upsurge Investment & Finance Ltd.**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **UPSURGE INVESTMENT & FINANCE LTD.** Having CIN **L67120MH1994PLC079254** and having registered office at Office No. 303, Morya Landmark I, Behind Crystal Plaza, Off New Link Road, Andheri (West), Mumbai, Maharashtra, 400053 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>Sr. No.</b>	<b>Name of Director</b>	<b>DIN No.</b>	<b>Date of Appointment</b>
1	Dayakrishna Goyal	00398539	29/07/2007
2	Pratibha Goyal	00399056	08/08/2014
3	Hansraj Goyal	00398273	27/07/2009
4	Dinesh Vijayvargia	01131902	24/03/2003

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company.

Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Mukesh Purohit and Company**

**Company Secretaries**

Mukesh Purohit

Proprietor

ACS- 48563

CP No.-25204

UDIN: A048563D000873695

Mumbai, 30<sup>th</sup> August, 2022



**ANNEXURE - IV**  
**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**  
**TO THE MEMBERS OF UPSURGE INVESTMENT & FINANCE LTD.**

To  
The Members,  
Upsurge Investment & Finance Ltd.

We have examined the compliance of conditions of corporate governance by Upsurge Investment & Finance Ltd. ('the Company') for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46, and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

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: 22038317AQHSWK1490

Mumbai, 30<sup>th</sup> August 2022

## INDEPENDENT AUDITORS' REPORT

To the Members of

**Upsurge Investment & Finance Limited.**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the Standalone financial statements of **Upsurge Investment & Finance Limited** (the 'Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2022, 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 financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

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 ("Ind AS") prescribed under section 133 of the Act read with the company (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, and its Profit, total comprehensive income, the changes in Equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of Standalone financial statements 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 Standalone 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on Standalone 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 Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone 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 Standalone 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 Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the Standalone 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 Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

*Audit Report*

*Upsurge Investment & Finance Limited IFY 2021-20221*

the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in Equity and cash flows 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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 standalone 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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit 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 statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of section 164(2) of the Act.
- f) Report on the Internal Financial Controls under Clause (1) of Sub-section 3 of section 143 of the companies Act, 2013 ("the Act") is enclosed as an Annexure A to this report.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

- h) 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.
  - iv. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - v. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - vi. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
  - vii. The interim dividend declared and paid during the year by the company is in compliance with section 123 of the Companies Act, 2013.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For M/s. JAIN & TRIVEDI**  
Chartered Accountants  
**FRN 113496W**

**Satish Trivedi**  
Partner  
**M. No.: 038317**  
UDIN: 22038317AJKYZL8708

Mumbai, 23<sup>rd</sup> May, 2022

## **Annexure “A” to the Independent Auditors Report**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Upsurge Investment & Finance Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Upsurge Investment & Finance Limited (“the Company”) as of 31<sup>st</sup> March, 2022 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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.

#### **Auditor’s 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 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 31<sup>st</sup> March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. JAIN & TRIVEDI**

Chartered Accountants  
Firm Reg. No. 113496W

**Satish C. Trivedi**

Partner  
M. No.038317  
UDIN: 22038317AJKYZL8708

Mumbai, 23<sup>rd</sup> May, 2022

### **Annexure“B” to the Independent Auditors Report**

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Upsurge Investment & Finance Limited of even date)

1. In respect of its fixed assets:
  - a.
    - i. The Company has maintained proper records showing full particulars, including quantitative detail and situation of its property, plant and equipment.
    - ii. The company does not held any intangible assets hence reporting under clause 3 (i) (a) (B) of the order is not applicable to the company.
  - b. The Company has a regular program of physical verification of property, plant and equipment and right-of-use assets so to cover all the assets at reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, property, plant and equipment have been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
  - d. The Company has not revalued its Property, Plant and Equipment during the year ended 31 March, 2022.
  - e. According to the information and explanations given to us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
2.
  - a. 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.
  - b. The Company does not have any working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii)(b) of the Order are not applicable.
3.
  - a. The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the order is not applicable to the Company.
  - b. The Investments made, guarantee provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantee provided are not, prima facie, prejudicial to the company’s interest;
  - c) & d) The Company, being a Non-Banking Financial Company (‘NBFC’), registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its borrowers as stipulated. Refer note 44 to standalone financial statements for summarised details of such loans / advances which are not repaid by borrowers as per stipulations.
  - e. Since the principal business of the company is to give loans, reporting under clause 3(iii)(e) of Companies (Auditor’s) Report Order, 2020 is not applicable.



- f. Based on our audit procedures and the information and explanation made available to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, as applicable, in respect of loans, investments, guarantees, and security.
5. The provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company being a non-banking financial company registered with the Reserve Bank of India ('the RBI'), and also the Company has not accepted any deposits from public or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
6. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
7. a). According to the records of the Company, the Company regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax, Goods and Service tax or cess and other statutory dues applicable to it. No undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, wealth tax, duty of customs, duty of excise, value added tax, Goods and Services tax or cess and other statutory dues were outstanding, as at 31st March ,2022, for a period of more than six months from the date they became payable.  
b). According to the records of the Company and information and explanations given to us no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess that have not been deposited on account of any disputes.
8. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
9.
  - i. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
  - ii. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
  - iii. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
  - iv. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
  - v. The Company did not have any subsidiary or joint venture during the year. Further, according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associates.

- vi. The Company did not have any subsidiary or joint venture during the year. Further, according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its associates.
10.
    - a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
    - b. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
  11.
    - a. To the best of our knowledge according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit
    - b. No report under Section 143 (12) of the Act has been filed by us, for the period under audit, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
    - c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
  12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
  13. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS ) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
  14.
    - a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
    - b. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
  15. According to the information and explanation given to us, the Company has not entered into any non cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
  16.
    - a. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the Company.
    - b. According to the information and explanations given to us, the Company has conducted Non- Banking Financial activities during the year under a valid Certificate of Registration (CoR) from the RBI as per the Reserve Bank of India Act, 1934. Further, Company has not conducted any Housing Finance activities and is not required to obtain CoR for such activities from the RBI.

- c. According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the RBI. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
  - d. Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has five CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India as part of the Group.
- 17 According to the information and explanations given to us, the Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- 18 There has not been any resignation of the statutory auditors during the financial year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- 19 According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20 The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- 21 The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For M/s. JAIN & TRIVEDI**

Chartered Accountants  
Firm Reg. No. 113496W

**Satish C. Trivedi**

Partner  
M. No.038317  
UDIN: 22038317AJKYZL8708

Mumbai, 23<sup>rd</sup> May, 2022

**BALANCE SHEET AS AT 31ST MARCH, 2022**

(In ₹ thousand)

(in thousands)			
Particulars	Note No.	As at March 31	
		2022	2021
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	2	3,088.19	596.13
Bank Balance other then above	3	1,14,290.73	91,385.07
Receivables			
(i) Trade Receivables	4	5,377.15	176.67
(ii) Other Receivables		-	-
Loans	5	1,58,314.83	70,324.84
Investments	6	28,137.82	1,10,332.90
Other financial assets	7	-	10.86
<b>Total Financial Assets</b>		<b>3,09,208.72</b>	<b>2,72,826.47</b>
<b>Non - Financial Assets</b>			
Inventories	8	80,970.00	54,853.97
Current Tax Assets(Net)	9	743.75	2,909.70
Deferred Tax Assets ( Net)		-	-
Property, plant and equipment	10	2,372.53	284.22
Other Non - Financial Assets	11	43.18	10.91
<b>Total Non - Financial Assets</b>		<b>84,129.46</b>	<b>58,058.80</b>
<b>Total Assets</b>		<b>3,93,338.18</b>	<b>3,30,885.27</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Financial Liabilities</b>			
Payables			
Trade Payable			
i) total outstanding dues of micro enterprises and smal enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other Payables		-	-
i) total outstanding dues of micro enterprises and smal enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Borrowings (Other than Debt Securities)	12	17,205.76	40,616.89
Other financial Liabilities	13	634.41	294.57
<b>Total Financial Liabilities</b>		<b>17,840.17</b>	<b>40,911.46</b>

**Non - Financial Liabilities**

Provision	14	1,025.91	1,339.87
Other non - financial Liabilities	15	21.86	1.60
<b>Total Non - Financial Liabilities</b>		<b>1,047.77</b>	<b>1,341.47</b>
<b>Total Liabilities</b>		<b>18,887.94</b>	<b>42,252.93</b>
<b>Equity</b>			
Equity Share Capital	16	1,51,524	1,51,524
Other Equity	17	2,22,926.22	1,37,108
<b>Total Equity</b>		<b>3,74,450.22</b>	<b>2,88,632.34</b>
<b>Total equity and Liabilities</b>		<b>3,93,338.16</b>	<b>3,30,885.27</b>

See accompanying notes are an integral part of these financial statements

As per our report of even date

**For & on behalf of the Board**

**For M/s. JAIN & TRIVEDI**

Chartered Accountants

**FRN : 113496W**

**Satish Trivedi**

Partner

**M. No. 038317**

**Dayakrishna Goyal**

Managing Director

DIN : 00398539

**Hansraj Goyal**

Independent Director

DIN: 00398273

**Mayank Goyal**

Chief Financial Officer

**Diksha Joshi**

Company Secretary

Mumbai, May 23, 2022

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2022**

(In ₹ thousand)

Particulars	Notes	For the year ended March 31	
		2022	2021
<b>Revenue from Operations</b>			
Interest Income	18	13,828.41	8,633.36
Dividend Income	19	9,265.79	8,998.53
Net gain on fair value change	20 A	1,12,851.75	67,173.80
Sale of Share and Securities	21	2,43,370.47	1,92,524.79
Other Operating Income	22	2,264.12	5,587.89
<b>Total Revenue from Operation</b>		<b>3,81,580.54</b>	<b>2,82,918.37</b>
Other Income		-	-
<b>Total Income (I+II)</b>		<b>3,81,580.54</b>	<b>2,82,918.37</b>
<b>Expenses</b>			
Finance Costs	23	1,498.17	1,293.86
Net loss on fair value change	20 B	19,087.30	-
Purchases of Stock-in-Trade	24	2,63,293.84	1,74,637.88
Changes in Inventories of stock-in-trade	25	(26,115.86)	911.90
Employee Benefits Expenses	26	5,949.64	4,389.08
Depreciation and amortisation expense	10	146.13	60.67
Other Expenses	27	10,377.31	6,141.61
<b>Total Expenses</b>		<b>2,74,236.53</b>	<b>1,87,435.00</b>
		<b>1,07,344.01</b>	<b>95,483.37</b>
<b>Tax Expense:</b>			
1. Current Tax	28	13,949.92	4,698.45
2. Deferred Tax		-	-
3. Previous Year Tax		-	-
<b>Total Tax Expenses</b>		<b>13,949.92</b>	<b>4,698.45</b>
<b>Net Profit After Tax</b>		<b>93,394.09</b>	<b>90,784.92</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>93,394.09</b>	<b>90,784.92</b>
1.Basic (Rs.)		6.16	5.99
2.Diluted (Rs.)		6.16	5.99

As per our report of even date  
**For M/s. 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

Mumbai, May 23, 2022

**Mayank Goyal**  
Chief Financial Officer

**Diksha Joshi**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

### Account Policy

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(In ₹ thousand)

Particulars	As at March 31	
	2022	2021
<b>A Cash flow from operating activities</b>		
Net Profit/(Loss) before tax	1,07,344.01	95,483.37
Depreciation	146.13	60.67
Dividend Income	(9,265.79)	(8,998.53)
Net (Profit)/loss on financial asset designated at FVTPL	19,087.30	(59,709.12)
Provision for/ (Reversal of) Standard Assets	229.07	27.38
Provision for/ (Reversal of) Sub-Standard Assets	(832.32)	832.12
Gain on Sale of Investments	(1,12,804.07)	(7,464.68)
(Profit)/ loss on Sale of Fixed Assets	25.18	-
Provision for/ (Reversal of) Equity Option Premium	289.09	181.32
<b>Operating profit / (loss) before working capital changes</b>	<b>4,218.60</b>	<b>20,412.53</b>
<b>Changes in working capital:</b>		
Increase /(decrease) in other Financial liabilities	339.84	(262.57)
Increase /(decrease) in other Non Financial liabilities	20.26	(36.90)
Increase /(decrease) in borrowing	(23,411.13)	14,385.28
Decrease / (Increase) in loans	(87,989.99)	(14,385.54)
Decrease / (Increase) in Advances	(11,783.98)	(3,626.80)
Decrease / (Increase) in Other Non Financial Assets	(32.27)	2.59
Decrease / (Increase) in Other Financial Assets	10.86	161.81
Decrease / (Increase) in Inventories	(26,116.03)	911.89
Decrease / (Increase) in Trade receivable	(5,200.48)	2,044.09
<b>Cash generated from operations</b>	<b>(1,49,944.32)</b>	<b>19,606.38</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow from / used in operating activities (A)</b>	<b>(1,49,944.32)</b>	<b>19,606.38</b>
<b>B Cash flow from investing activities</b>		
Dividend Income	9,265.79	8,998.53
Investment in Bank Deposits (having maturity of more than 3 months)	-	-

Purchase of fixed assets including intangible assets	(2,268.92)	(84.65)
Proceeds from sale of Fixed Assets	9.30	-
Purchase of Non Current Investment	(99,546.17)	(1,13,730.90)
Proceeds from sale of Non Current Investments	2,75,458.23	1,30,884.72
<b>Net cash used in investing activities (B)</b>	<b>1,82,918.23</b>	<b>26,067.70</b>
<b>C Cash flow from financing activities</b>		
Dividend Paid Including DDT	(7,576.20)	-
<b>Net cash from financing activities (C)</b>	<b>(7,576.20)</b>	<b>-</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>25,397.71</b>	<b>45,674.08</b>
Cash and cash equivalents at the beginning of the year	91,981.20	46,307.12
<b>Cash and cash equivalents at the end of the year</b>	<b>1,17,378.92</b>	<b>91,981.20</b>

As per our report of even date

**For M/s. 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

**Mayank Goyal**

Chief Financial Officer

**Diksha Joshi**

Company Secretary

Mumbai, May 23, 2022



**Statement of change in equity for the year ended 31<sup>st</sup> March 2022**

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

**A. Equity Share Capital****1 Current Reporting Period**

Balance as at 1st April, 2021	Changes in Equity Share Capital during the year (refer note 16)	Balance as at 31st March, 2022
₹ 1,51,524.00	-	₹ 1,51,524.00

**2 Previous Reporting Period**

Balance as at 1st April, 2020	Changes in Equity Share Capital during the year (refer note 16)	Balance as at 31st March, 2021
₹ 1,51,524.00	-	₹ 1,51,524.00

**B. Other Equity****1 Current Reporting Period**

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		
<b>Balance as at 1st April, 2021</b>	66,000.00	28,978.68	41,764.52	365.13	-	1,37,108.33
Profit for the year	-	-	93,394.09	-	-	93,394.09
Appropriation Transfer to Statutory reserves	-	18,744.63	(18,744.63)	-	-	-
Interim dividend F.Y. 2021-22	-	-	(7,576.20)	-	-	(7,576.20)
<b>Other comprehensive income</b>	-	-	-	-	-	-
Changes in fair value of FVOCI equity instruments	-	-	-	-	-	-
<b>Total Comprehensive income as at 31st March, 2022</b>	<b>66,000.00</b>	<b>47,723.31</b>	<b>1,08,837.78</b>	<b>365.13</b>	<b>-</b>	<b>2,22,926.22</b>

**2. Previous Reporting Period**

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		
<b>Balance as at 1st April, 2020</b>	66,000.00	10,821.70	(30,863.44)	365.13	-	46,323.39
Profit for the year	-	-	90,784.92	-	-	90,784.92
Appropriation Transfer to Statutory reserves	-	18,156.98	(18,156.98)	-	-	-
<b>Other comprehensive income</b>	-	-	-	-	-	-
Changes in fair value of FVOCI equity instruments	-	-	-	-	-	-
<b>Total Comprehensive income as at 31st March, 2021</b>	<b>66,000.00</b>	<b>28,978.68</b>	<b>41,764.50</b>	<b>365.13</b>	<b>-</b>	<b>1,37,108.31</b>

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

**Mumbai, May 23, 2022****Mayank Goyal**

Chief Financial Officer

**Diksha Joshi**

Company Secretary

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

### **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**

These Financial Statements comprising of Balance Sheet, Statement of Profit and Loss including, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2022 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amendment Rules, 2016.

These Financial Statements have been approved for issue by the Company's Board of Directors at their meeting held on 10 May, 2022. These Financial Statements are presented in Indian Rupees (INR), and all values are rounded to the nearest lakhs, which is also the functional and presentation currency.

#### **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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

- 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.

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

### 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 De-recognition 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.

#### De-recognition 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,

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

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 categories 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.

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

### **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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

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.



## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

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 short-term 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. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation.

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.”

Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income- tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### **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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

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. Earnings 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:

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

### 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 judgment, 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 behavioral 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 judgment regarding the expected behavior 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

**Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022**

(In ₹ thousand)

Particulars	As at March 31	
	2022	2021
<b>2 CASH AND CASH EQUIVALENTS</b>		
i. Cash on hand	699.99	467.41
ii. Balance with banks:		
- Current Accounts	86.21	128.72
- Overdraft Accounts	215.81	-
- Deposit with original maturity less than 3 months #	2,086.18	-
	<b>3,088.19</b>	<b>596.13</b>
<b>3 BANK BALANCE OTHER THEN ABOVE</b>		
Earmarked balances with banks		
- Deposit with original maturity More than 3 months #	1,13,756.26	91,182.58
- Unclaimed Dividend Account	534.47	202.49
	<b>1,14,290.73</b>	<b>91,385.07</b>
<b>4 RECEIVABLES</b>		
<b>Secured considered good</b>		
- Outstanding for a period exceeding six months from the due date of payment	-	
- Outstanding for a period less than six months	5,377.15	176.67
<b>Unsecured considered good</b>		
- 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	-	-
	<b>5377.15</b>	<b>176.67</b>

\*\*Refer note no. 28 for ageing schedule

**5 LOANS**

Particulars	As at March 31	
	2022	2021
<b>Loans: At Amortised Cost</b>		
A) Others:		
(a) Secured, Considered Good	1,38,209.02	65,159.24
(Loans are secured against pledge of Shares & Securities)		
(b) Unsecured, Considered Good	20,105.81	5,165.60
(c) Loans Receivables have significant increase in Credit Risk	-	-
(d) Loans Receivables -Credit Impaired	-	-
<b>T o t a l</b>	<b>1,58,314.83</b>	<b>70,324.84</b>
B) Loans In India		
i) Public Sector	-	-
ii) Others	1,58,314.83	70,324.84
<b>T o t a l</b>	<b>1,58,314.83</b>	<b>70,324.84</b>
<b>Stage Wise Break up of Loan</b>		
i) Low credit risk (Stage 1)	1,58,314.83	70,324.84
ii) Significant increase in credit risk (Stage 2)	-	-
iii) Credit impaired (Stage 3)	-	-
<b>T o t a l</b>	<b>1,58,314.83</b>	<b>70,324.84</b>

Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2022

(In ₹ thousand)

6 INVESTMENTS

PARTICULARS	As at March 31			
	2022		2021	
	Nos	Amount *	Nos	Amount *
<b>Equity Instruments - Quoted</b>				
ITC Ltd	68,600	17,204.88	-	-
<b>(Equity Shares of Rs. 1/- each)</b>				
Oriental Rail Infrastructure Ltd	89,946	10,932.94	-	-
<b>(Equity Shares of Rs. 1/- each)</b>				
Oil & Natural Gas	-	-	23,100	2,359.67
<b>(Equity Shares of Rs. 10/- each)</b>				
HG Infra Engineering Limited	-	-	30,000	8,923.50
<b>(Equity Shares of Rs. 10/- each)</b>				
Capri Global Capital Limited	-	-	1,21,482	46,181.38
<b>(Equity Shares of Rs. 2/- each)</b>				
Fineotex Chemicals Ltd	-	-	7,00,000	46,060.00
<b>(Equity Shares of Rs.10/- each)</b>				
SBI Life Insurance Co. Ltd	-	-	1,500	1,320.75
<b>(Equity Shares of Rs. 1/- each)</b>				
Vedanta Ltd	-	-	24,000	5,487.60
<b>(Equity Shares of Rs. 1/- each)</b>				
<b>Total</b>	<b>1,58,546</b>	<b>28,137.82</b>	<b>9,00,082</b>	<b>1,10,332.90</b>
<b>Aggregate book value of quoted investment</b>		<b>19,660.62</b>		<b>82,768.41</b>

\* Amount at fair value through profit & loss A/C

Particulars	As at March 31	
	2022	2021
<b>7 OTHERS FINANCIAL ASSETS</b>		
Dividend Receivable	-	10.86
Interest Receivable	-	-
	<b>-</b>	<b>10.86</b>
<b>8 INVENTORIES</b>		
Stock - in trade	80,970.00	54,853.97
	<b>80,970.00</b>	<b>54,853.97</b>
<b>9 CURRENT TAX ASSETS (NET)</b>		
Advance Tax (net of provision for tax)	743.75	2,909.70
	<b>743.75</b>	<b>2,909.70</b>

**Notes forming part of the financial statement for the year ended 31st March 2022**

(In ₹ thousand)

**10 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2021	Addition	Deduction	As at March 31, 2022	As at April 01, 2021	For the year	Deduction	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
Furniture & Fixtures	385.97	-	-	385.97	361.45	-	-	361.45	24.52	24.52
Office Equipment	608.99	45.00	578.99	75.00	554.12	17.03	546.43	24.72	50.28	54.87
Computers	38.50	68.71	38.50	68.71	36.58	14.96	36.58	14.96	53.75	1.92
Vehicels	978.56	2,124.71		3,103.27	816.94	107.38	-	924.32	2,178.95	161.62
Air Conditioner	65.40	30.50		95.90	24.11	6.76	-	30.87	65.03	41.29
<b>TOTAL</b>	<b>2,077.42</b>	<b>2,268.92</b>	<b>617.49</b>	<b>3,728.85</b>	<b>1,793.20</b>	<b>146.13</b>	<b>583.01</b>	<b>1,356.32</b>	<b>2,372.53</b>	<b>284.22</b>

Particulars	Gross Block				Depreciation and Amortisation				Net Block	
	As at April 01, 2020	Addition		As at March 31, 2021	As at April 01, 2020	For the year	Deduction	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Furniture & Fixtures	385.97	-		385.97	355.32	6.13	-	361.45	24.52	30.65
Office Equipment	608.99	-		608.99	548.42	5.70	-	554.12	54.87	60.57
Computers	38.50	-		38.50	36.58		-	36.58	1.92	1.92
Vehicels	893.91	84.65		978.56	774.50	42.44	-	816.94	161.62	119.41
Air Conditioner	65.40	-		65.40	17.69	6.42	-	24.11	41.29	47.71
<b>TOTAL</b>	<b>1,992.77</b>	<b>84.65</b>		<b>2,077.42</b>	<b>1,732.51</b>	<b>60.69</b>	<b>-</b>	<b>1,793.20</b>	<b>284.22</b>	<b>260.26</b>

## Notes forming part of the financial statement for the year ended 31st March 2022

(In ₹ thousand)

Particulars	As at March 31	
	2022	2021
<b>11 OTHER NON-FINANCIAL ASSETS</b>		
Prepaid Exp	9.40	10.91
Other receivables	33.78	0.00
<b>Total</b>	<b>43.18</b>	<b>10.91</b>
<b>12 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST</b>		
<b>Secured</b>		
<b>Loan Repayable on Demand</b>		
From Banks (Overdraft)*	17,205.76	40,616.89
<b>Total (A)</b>		
Borrowings in India	17,205.76	40,616.89
Borrowings outside India	-	-
<b>Total</b>	<b>17,205.76</b>	<b>40,616.89</b>
<p>**The 'Bank Overdraft (against FD)' facility is availed from Bharat Bank, Yes Bank and IDFC First Bank. The rate of Interest for the said Facility is 0.75% above the interest rate of Fixed Deposits under lien with Yes Bank, 1% above the interest rate of fixed Deposits under lien with IDFC First 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>		
<b>13 OTHER FINANCIAL LIABILITIES</b>		
Unpaid (Unclaimed) Dividend	534.47	202.49
Other	99.94	92.08
<b>Total</b>	<b>634.41</b>	<b>294.57</b>
<b>14 PROVISION</b>		
Provision for Equity Option Premium	629.61	340.52
Provision for Standard Assets	396.30	167.23
Provision for Sub-Standard Assets	-	832.12
<b>Total</b>	<b>1,025.91</b>	<b>1,339.87</b>
<b>15 OTHER NON-FINANCIAL LIABILITIES</b>		
<b>Other Payables</b>		
Statutory Remittances /Due	21.86	1.60
<b>Total</b>	<b>21.86</b>	<b>1.60</b>



**16 EQUITY SHARE CAPITAL**

(In ₹ thousand)

Particulars	As at March 31	
	2022	2021
<b>Authorised</b>		
1,52,50,000 Equity Shares ( Previous Year 1,52,50,000 of Rs. 10/- each)	1,52,500	1,52,500
	<b>1,52,500</b>	<b>1,52,500</b>
<b>Issued, Subscribed and Fully Paid-up :</b>		
1,52,40,000 Equity Shares ( Previous Year 1,52,40,000 of Rs. 10/- each)	1,51,524	1,51,524
	<b>1,51,524</b>	<b>1,51,524</b>

**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.

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

Particulars	2021-2022			2020-2021	
	Nos	Amount		Nos	Amount
Equity shares outstanding as at the beginning of the year	1,51,52,400	1,51,524		1,51,52,400	1,51,524
Issued during the year	-	-		-	-
Equity shares outstanding as at the end of the year	1,51,52,400	1,51,524		1,51,52,400	1,51,524

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

Name of Shareholder	2021-2022			2020-2021	
	Nos of shares held	%		Nos of shares held	%
Gagandeep Multitrade Pvt. Ltd.	21,54,680.00	14.22		21,54,680.00	14.22
Dayakrishna Goyal	12,50,000.00	8.25		12,50,000.00	8.25
Dayakrishna Goyal ( HUF)	13,00,000.00	8.58		13,00,000.00	8.58
Pratibha Goyal	15,87,543.00	10.48		15,87,543.00	10.48

**Details of shares held by promoters / promoters group as at March 31, 2022**

Promoter Name	Nos of shares held	%	% change during the year
Gagan Deep Multitrade Pvt Ltd	21,54,680	14.22	-
Pratibha Dayakrishna Goyal	15,87,543	10.48	-
D K Goyal (Huf) .	13,00,000	8.58	-
Dayakrishna Goyal	12,50,000	8.25	-
Navrati Gupta	6,59,500	4.35	-
Yash Securities Pvt. Ltd.	4,00,000	2.64	-
Upsurge Shares And Securities Pvt Ltd	1,45,000	0.96	-
Bal Kishan Goyal	58,100	0.38	-

Notes forming part of the financial statement for the year ended 31st March 2022

Details of shares held by promoters / promoters group as at March 31, 2021

Promoter Name	Nos of shares held	%	% change during the year
Gagan Deep Multitrade Pvt Ltd	21,54,680	14.22	-
Pratibha Dayakrishna Goyal	15,87,543	10.48	-
D K Goyal (Huf) .	13,00,000	8.58	-
Dayakrishna Goyal	12,50,000	8.25	-
Navrati Gupta	6,59,500	4.35	-
Yash Securities Pvt. Ltd.	4,00,000	2.64	-
Upsurge Shares And Securities Pvt Ltd	1,45,000	0.96	-
Bal Kishan Goyal	58,100	0.38	-

17 OTHER EQUITY

Particulars	As at March 31	
	2022	2021
<b>Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934</b>		
Opening balance	28,978.68	10,821.70
Add: Transfer during the year	18,744.63	18,156.98
	<b>47,723.31</b>	<b>28,978.68</b>
<b>Securities premium account</b>		
Opening balance	66,000.00	66,000.00
	<b>66,000.00</b>	<b>66,000.00</b>
<b>General Reserve</b>		
Opening balance	365.13	365.13
	<b>365.13</b>	<b>365.13</b>
<b>Retained earnings (Surplus/deficit in statement of profit and loss)</b>		
Opening balance	41,764.52	(30,863.44)
Add : Profit of the Year	93,394.09	90,784.92
Less: Appropriation Transfer to Statutory reserves	18,744.63	18,156.98
Less: Interim dividend F.Y. 2021-22	7,576.20	-
<b>Amount available for appropriation</b>	<b>1,08,837.78</b>	<b>41,764.52</b>
<b>Total</b>	<b>2,22,926.22</b>	<b>1,37,108.33</b>

# Notes forming part of the financial statement for the year ended 31st March 2022

(In ₹ thousand)

Particulars	Year ended March 31	
	2022	2021
<b>18 INTEREST INCOME</b>		
Interest on loans	6,133.11	2,763.92
Interest on deposits	7,695.30	5,777.81
Interest on Others	-	91.63
	<b>13,828.41</b>	<b>8,633.36</b>
<b>19 DIVIDEND INCOME</b>		
Dividend Income	9,265.79	8,998.53
	<b>9,265.79</b>	<b>8,998.53</b>
<b>20 A NET GAIN ON FAIR VALUE CHANGE</b>		
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading Portfolio		
Investments In Equity	1,12,851.75	67,173.80
Others	-	-
(B) Total Net gain on fair Value Change	<b>1,12,851.75</b>	<b>67,173.80</b>
(C) Fair Value Changes:		
Realised	1,12,851.75	7,464.68
Unrealised	-	59,709.12
	<b>1,12,851.75</b>	<b>67,173.80</b>
<b>20 B NET LOSS IN ON FAIR VALUE CHANGE</b>		
(A) Net Loss on financial instruments at fair value through profit or loss		
(i) On trading Portfolio		
Investments In Equity	(19,087.30)	-
Others	-	-
(B) Total Net Loss on fair Value Change	<b>(19,087.30)</b>	<b>-</b>
(C) Fair Value Changes:		
Realised	-	-
Unrealised	(19,087.30)	-
	<b>(19,087.30)</b>	<b>-</b>
<b>21 SALE OF SHARES &amp; SECURITIES</b>		
Sale of Shares & Securities	2,43,370.47	1,92,524.79
	<b>2,43,370.47</b>	<b>1,92,524.79</b>
<b>22 OTHER OPERATING INCOME</b>		
Profit from trading activities	566.37	1,178.91
Profit from stock futures	1,697.75	4,408.98
	<b>2,264.12</b>	<b>5,587.89</b>
<b>23 FINANCE COST</b>		
Interest Expenses	1,498.17	1,293.86
	<b>1,498.17</b>	<b>1,293.86</b>

# Notes forming part of the financial statement for the year ended 31st March 2022

(In ₹ thousand)

Particulars	Year ended March 31	
	2022	2021
<b>24 PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Shares & Securities	2,63,293.84	1,74,637.88
	<b>2,63,293.84</b>	<b>1,74,637.88</b>
<b>25 CHANGE IN INVENTORIES OF STOCK - IN - TRADE</b>		
<b>Opening Stock</b>		
-Stock in Trade	54,853.96	55,765.86
<b>Less: Closing Stock</b>		
-Stock in Trade	(80,969.82)	(54,853.96)
	<b>(26,115.86)</b>	<b>911.90</b>
<b>26 EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Bonus etc	5,418.07	4,030.82
Staff Welfare expenses	531.57	358.26
	<b>5,949.64</b>	<b>4,389.08</b>
<b>27 OTHER EXPENSES</b>		
Electricity charges	111.82	102.57
Rent	420.00	420.00
Repairs to building	-	-
Repairs to machinery	180.79	82.00
Legal & Professional Fees -	1,132.16	1,049.08
Payments to Auditors ( including GST)		
- Audit fees	70.80	70.80
- Tax Audit fees & other matters	29.50	29.50
Business Promotion	436.42	284.91
Insurance charges	11.52	49.26
Travelling	433.35	129.90
Conveyance	457.41	348.80
Listing fees & other charges	354.00	354.00
Office expenses	751.44	385.42
Printing, Stationary & xerox	243.08	147.37
Motor car expenses	583.84	348.74
Securities transaction charges	575.37	419.14
Telephone charges	64.81	131.27
Transaction & Service charges	196.87	264.88
Miscellaneous & other expenses	4,902.18	664.47
Loss on Sale of Fixed Assets	25.00	-
Provision for NPA	(832.12)	832.12
Provision for Standard Assets	229.07	27.38
	<b>10,377.31</b>	<b>6,141.61</b>

Notes forming part of the financial statement for the year ended 31st March 2022

(In ₹ thousand)

28 TRADE RECEIVABLE AGEING

Ageing for Trade Receivable	As at March 31, 2022							Total
	Unbilled	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivable</b>								
Considered Good	-	-	5,377.15	-	-	-	-	5,377.15
which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
<b>Disputed Trade Receivable</b>								
Considered Good	-	-	-	-	-	-	-	-
which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	5,377.15	-	-	-	-	5,377.15
<b>Balance at the end of the year</b>	-	-	5,377.15	-	-	-	-	5,377.15
As at March 31, 2021								
Ageing for Trade Receivable	Unbilled	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed Trade Receivable</b>								
Considered Good	-	-	176.67	-	-	-	-	176.67
which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
<b>Disputed Trade Receivable</b>								
Considered Good	-	-	-	-	-	-	-	-
which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	176.67	-	-	-	-	176.67
<b>Balance at the end of the year</b>	-	-	176.67	-	-	-	-	176.67

## Notes forming part of the financial statement for the year ended 31st March 2022

(In ₹ thousand)

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
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### 29. COMMITMENTS & CONTINGENT LIABILITY

Nil Nil

### 30. FOREIGN CURRENCY TRANSACTION

Nil Nil

### 31. EARNINGS PER SHARE

Particulars		For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss	A	93,394.09	90,784.92
Weighted average number of equity shares for Calculating Basic EPS (Nos.)	B	1,51,52,400	1,51,52,400
Weighted average number of equity shares for Calculating Diluted EPS (Nos.)	C	1,51,52,400	1,51,52,400
Basic earnings per equity share (in Rupees) (Face value of ` 10/- per share) ₹	A/B	6.16	5.99
Diluted earnings per equity share (in Rupees) (Face value of ` 10/- per share ₹	A/C	6.16	5.99

### 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, 2022	For the Year ended March 31, 2021
<b>Current Year Income Tax</b>		
In respect of the current year	13,949.92	4,698.45
<b>Previous Year Income Tax</b>		
In respect of prior years	-	-
<b>Total</b>	<b>13,949.92</b>	<b>4,698.45</b>

## Notes forming part of the financial statement for the year ended 31st March 2022

(In ₹ thousand)

- 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, 2022	For the Year ended March 31, 2021
Accounting Profit/(loss) before tax	1,07,344.01	95,483.37
Income Taxable : Normal Income –A	8,117.32	18,558.51
Special Income –B	27,073.01	2,899.11
Special Income –C	63,472.26	-
Normal Tax Rate –D	22.88%	22.88%
Special Tax Rate –E	15.60%	15.60%
Special Tax Rate –F	10.40%	-
i. Derived Tax from Normal Income Charge for the year (A*C)	2,042.96	4,246.18
ii. Derived Tax from Special Income Charge for the year (B*D)	4,645.73	452.27
Derived Tax from Special Income Charge for the year (B*D)	7,261.23	-
<b>Total Income Tax (i+ii)</b>	<b>13,949.91</b>	<b>4,698.45</b>

### 34. REMUNERATION TO DIRECTORS

Managerial Remuneration	1,350.00	1,200.00
<b>Total</b>	<b>1,350.00</b>	<b>1,200.00</b>

### 35. AUDITORS REMUNERATION

1 Audit Fees*	70.80	70.80
2 Tax Audit & Other Matters*	29.50	29.50
<b>Total</b>	<b>100.30</b>	<b>100.30</b>

\*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
Dayakrishna Goyal	Key Managerial Personal

Particulars	Related Party	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021
Rent Paid	Sankalp Properties Pvt. Ltd	420.00	420.00
Managerial Remuneration	Dayakrishna Goyal	1350.00	1,200.00

## Notes forming part of the financial statement for the year ended 31st March 2022

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. Financial Ratios

Ratios	Current Year	Previous Year	% of Variance
Debt-Equity Ratio,	0.05	0.14	(0.09)
Return on Equity Ratio,	0.28	0.37	(0.09)
Net profit ratio,	0.38	0.47	(0.09)
Return on Capital employed,	0.29	0.34	(0.04)

### 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.



## Notes forming part of the financial statement for the year ended 31st March 2022

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

Initial recognition.

## 40. Note Other Statutory Information

- a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- b. The Company does not have any transactions with companies struck off.
- c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Notes forming part of the financial statement for the year ended 31st March 2022

- e. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- f. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- g. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- h. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

### 41. 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

**Mayank Goyal**

Chief Financial Officer

**Diksha Joshi**

Company Secretary

Mumbai, May 23, 2022



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