

*27<sup>th</sup> Annual Report*

*2020-2021*



**Upsurge Investment & Finance Limited**

**BOARD OF DIRECTORS**

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

**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 27<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh (27<sup>th</sup>) Annual General Meeting of the Members of **UPSURGE INVESTMENT AND FINANCE LIMITED** will be held on Thursday, 30<sup>th</sup> September 2021 at 1.00 P.M. (IST) through Video Conferencing/ Other Audio-Visual Means (“VC”/” OAVM”) facility, to transact the following business(es):

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statements of the company for the Financial Year ended March 31, 2021 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dayakrishna Goyal (DIN: 00398539), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**By Order of the Board**

**Diksha Joshi**

Company Secretary

ACS: 66150

Mumbai, dated 31<sup>st</sup> August 2021

### **NOTES:**

1. In view of the Covid-19 pandemic, General Circular nos. 20/2020, 14/2020, 17/2020, 02/2021 issued by the Ministry of Corporate Affairs("MCA") and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. In accordance with the said circulars of MCA, SEBI and applicable provisions of the Companies Act, 2013 (the ‘Act’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘SEBI Listing Regulations’), the 27<sup>th</sup> AGM of the Company shall be conducted through VC/OAVM (hereinafter called ‘e-AGM’ or ‘AGM’).
2. The deemed venue for the 27<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. Details as required in sub-regulation (4) of Regulation 26 and sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of Director seeking appointment / reappointment at the 27<sup>th</sup> AGM, forms integral part of the Notice of the 27<sup>th</sup> AGM as **Annexure to AGM Notice**. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.
4. In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 27<sup>th</sup> AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 27<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 27<sup>th</sup> AGM.

5. The Members may join the 27<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 27<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 27<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 27<sup>th</sup> AGM without any restriction on account of 'first come first served' basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act 2013 (the Act).
7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Thursday, September 23, 2021.
8. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
9. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the MCA Circulars issued by the MCA and SEBI Circular, the Annual Report for the year 2020- 21 including Notice of the 27<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.
10. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the MCA Circulars issued by MCA and SEBI Circular, the Annual Report including Notice of the 27<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 27<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 Thursday, September 23, 2021 to Thursday September 30, 2021 (both days inclusive) for the purpose of 27<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. Members must quote their Folio No. /Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company/Registrar and Share Transfer Agent.

15. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.
16. All documents referred to in the accompanying Notice are available on website of the Company at [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com) for inspection by the Members up to the date of 27<sup>th</sup> AGM.
17. During the 27<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 and Certificate from Statutory Auditors of the Company certifying that Company’s Employee Stock Options Schemes being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the resolution of the Members of the Company which will be available on website of the Company.
18. The Company has designated an exclusive Email-id [cs@upsurgeinvestment.com](mailto:cs@upsurgeinvestment.com) for redressal of Members complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.
19. Members who are yet to encash their earlier dividend warrants for the dividend in FY 2018-19 are requested to contact the office of the Company Secretary & Compliance Officer/Adroit Corporate Services Private Limited, Registrar and Transfer Agent (RTA) of the Company for revalidation of the dividend warrants/issue of fresh demand drafts. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2021 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.
20. 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 27<sup>th</sup> AGM. The same will be replied by/ on behalf of the Company suitably.
21. 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.
22. In case of joint holders attending the 27<sup>th</sup> AGM, the member whose name appears as the first holder in the order of names will be entitled to vote.
23. Securities of listed companies would be transferred in dematerialised form only w.e.f. April 1, 2019. In view of the same, Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company’s RTA for assistance in this regard.
24. **Voting**  
In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 27<sup>th</sup> AGM using electronic voting system (‘remote e-voting’) and e-voting (during the 27<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 27<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 27<sup>th</sup> AGM.
25. 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).
26. Since the 27<sup>th</sup> AGM will be held through VC in accordance with the circulars, the Route Map / proxy form and attendance slip are not annexed in this Notice.

**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 Monday, 27<sup>th</sup> September 2021 at 9:00 A.M. (IST) and ends on Wednesday, 29<sup>th</sup> September 2021 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 2021 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 abovesaid 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 Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site 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> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. 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 provided links for the respective ESP where the e-Voting is in progress during or before the AGM.</li> </ol>

<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<ol style="list-style-type: none"> <li>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.</li> <li>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></li> <li>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.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<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 shareholders other than individual shareholders & physical shareholders.
- 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 Shareholders holding shares in Demat Form other than individual and Physical Form</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 as mentioned in instruction (v).</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](mailto:bkg_satyam@yahoo.com) and [investor@upsurgeinvestment.com](mailto: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.

**PROCESS 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 provide Demat account details (CDSL-16-digit beneficiary ID or NSDL-16-digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.

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**

Mumbai, August 31, 2021

**By Order of the Board**

**Diksha Joshi**  
COMPANY SECRETARY  
ACS: 66150

**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>	Mr. Dayakrishna Goyal
DIN	00398539
Date of Birth	04/05/1968
Date of first appointment in the current designation	29/07/2007
Qualification	Hold a degree of ICAI
Brief Resume	Wider managerial experience
Experience (including expertise in specific functional area) / Brief Resume	<ul style="list-style-type: none"> <li>• He has more than 26 years of Senior Managerial and board level experience in the finance sector.</li> <li>• Mr. Goyal has in-depth knowledge of both primary and secondary capital market</li> <li>• He has wide contacts and relations in the field of finance all over the country</li> <li>• His expertise lies into investment in midsize companies at very early stage.</li> </ul>
Directorships and Committee memberships held in other listing Companies as on 31.03.2021	Mr. Goyal is not a director on the board of any other Listed company (including companies in the past 3 years)
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	4 out of 4 in the F.Y. 2020-21
Details of remuneration last drawn	Rs. 12,00,000/- during the F.Y. 2020-21
Number of Shares held in the Company	12,50,000

## BOARD'S REPORT

To,

The Members

Your directors have pleasure in presenting their Twenty Seventh (27<sup>th</sup>) Annual Report on the business and operations of the company along with the Audited Financial accounts for the Financial Year ended 31<sup>st</sup> March, 2021.

### STATE OF AFFAIRS AND FINANCIAL PERFORMANCE

(in ₹ lacs)

Particulars	Year Ended 31 <sup>st</sup> March 21	Year Ended 31 <sup>st</sup> March 20
Total Revenue	2829.18	2253.61
Less: Operating Expenses & Provisions	1873.74	2650.07
<b>Profit/(Loss) before Interest, Depreciation &amp; Taxes (PBIDT)</b>	955.40	(396.45)
Less: Interest & Financial Charges	12.93	7.16
Less: Depreciation	0.60	2.13
<b>Profit/(Loss) before Tax</b>	<b>954.83</b>	<b>(405.76)</b>
Less: Provision for Taxation		
Current Tax	46.98	-
Previous Year Tax	-	0.01
<b>Profit/(Loss) after Tax</b>	<b>907.84</b>	<b>(405.77)</b>
<b>Profit/(Loss) After Tax (PAT) including Other Comprehensive Income</b>	<b>907.84</b>	<b>(405.77)</b>
Statutory Reserve	181.56	-
Earnings per Share (EPS) (Rs.)	5.99	(0.02)

### REVIEW OF OPERATION

During the financial year under review total income of the Company is Rs. 2829.18 lacs as compared to last year's total income of Rs 2253.61 lacs. Company has earned net profit of Rs. 907.84 lacs as compare to loss of Rs 405.77 lacs of the previous year.

### BUSINESS REVIEW

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 realise 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.

## **DIVIDEND**

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **INDUSTRY STRUTURE & DEVELOPMENT**

NBFCs play an important role in providing credit by complementing the efforts of commercial banks, providing last mile financial intermediation and catering to niche sectors.

Over the years, NBFC sector has undergone considerable evolution. Higher risk appetite of NBFCs has contributed to their size, complexity and interconnectedness making some of these entities systemically significant, posing potential threat to financial stability.

### **GLOBAL & INDIAN ECONOMY**

The year 2020 threw at the world a bedlam of novel COVID-19 virus, threatening all that was taken for granted – mobility, safety, and a normal life itself. This, in turn, posed the most formidable economic challenge to India and to the world in a century. Bereft of a cure or a vaccine, public health policy became central to tackling this all-pervasive crisis. The imperative of flattening the disease curve was entwined with the livelihood cost of an imminent recession, which emanated from the restrictions in economic activities from the lockdown required to contain the pandemic. This inherent trade-off led to the policy dilemma of “lives versus livelihoods”. Governments and central banks across the world deployed a range of policy tools to support their economies such as lowering key policy rates, quantitative easing measures, loan guarantees, cash transfers and fiscal stimulus measures.

India recognized the disruptive impact of the pandemic and charted its own unique path amidst dismal projections by several international institutions of the spread in the country given its huge population, high population density and an overburdened health infrastructure.

The Indian economy, after subdued growth in 2019, had begun to regain momentum January 2020 onwards, only to be stalled by the once-in-a-century black swan COVID-19 outbreak. The economy witnessed a sharp contraction of 23.9 per cent in Q1: FY 2020-21 and 7.5 per cent in Q2: FY 2020-21 due to the stringent lockdown imposed during March-April, 2020. Since then, several high frequency indicators have demonstrated a V-shaped recovery. The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the astute support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival.

### **RISK & CONCERNS**

As the global economy recovers from the ravages of the COVID-19 pandemic, economic activity has been gaining momentum, but unevenly. Rising crude oil prices, emerging inflationary pressures and global policy uncertainty are the key risks. Domestically, high frequency indicators of activity are ticking up as the second wave abates. While banks and other financial institutions have resilient capital and liquidity buffers, and balance sheet stress remains moderate in spite of the pandemic, close monitoring of MSME and retail credit portfolios is warranted alongside the need for banks to reinforce buffers, improve governance and remain vigilant in the context of global spillovers.

1. Credit Risk- The most common risk faced by any lending institution is the borrower’s inability to repay the loan. The delinquencies may result in monetary losses, higher NPAs and deterioration of asset quality and ultimately capital adequacy.

We have stipulated prudent lending policies for each business vertical, considering the risk involved with different products and customer profiles.

2. Operational risk- It is the risk of possible losses, arising due to lack of proper flow and inadequate controls over our internal processes, people, systems and operations. Operational lapses could lead to adverse impact on the sustainability of the business in the long-term and loss of profitability.
3. Liquidity Risk Liquidity risks emanate from the gaps in financing activity. A skewed asset-liability profile can potentially initiate a liquidity shortfall and result in significantly higher costs of funds.
4. Portfolio Concentration Risk- This category of risk is associated with the concentration of credit in a particular segment of borrowers, products or geography. Skewed exposure in one particular sector and geographical concentration may result in losses if the sector or geography does not do well. It affects the quality of the asset-book and assessment by financing institutions.
5. Interest Rate Risk- Volatility in interest rates can have a negative impact on our borrowing costs, decline in interest income and net interest margins. This can cause a mismatch on our asset–liability position and could lead to lower profitability and lower returns.  
Most of our portfolio is built on floating interest rates. Interest rates are primarily market driven and our interest risk strategy is well adept at managing the changing market dynamics.

### **OPPORTUNITIES & THREATS**

With the numerous initiatives from the government and ambitious plans, greater opportunities exist in niche sectors within the real estate space. These include education, healthcare, senior citizen housing, smaller office spaces, serviced apartments and hotels. Apart from these niche sectors, the long-term prospects for the real estate sector remains positive, barring the current pandemic-related disruptions, which are expected to wither as vaccination drive progresses across the country.

The lower rate regime continued with the Union Budget’s announcement to allow debt from foreign portfolio investors. Income diversification and stability are expected to gain importance, as the pandemic-induced new normal leads to somewhat lower the values of office properties and specialised assets like warehouses and data centres tend to gain prominence. Also, retail and hospitality will improve, as economic recovery progresses. Asset pricing is expected to improve as economy recovers during 2021. Income certainty will tend to score high, as opportunistic investments witness price corrections during these challenging times.

### **OUTLOOK**

NBFC sector is at an inflexion point, given the potential transformational, operational and stakeholder changes influenced by the growth drivers. The NBFCs are being recognised as vital facets for the growth of Indian economy. NBFCs are here for the long-term and play an important role in the economic growth and financial inclusion. India has a huge proportion of un-banked and under banked consumers and businesses. Hence, there is a greater potential to tap these segments.

- Increasing demand from the Micro, Small and Medium Enterprise (MSME) segment and serving it with new and dynamic operating models.
- Accessing new customers and cheaper funding sources by developing a viable co-lending business Model.
- Diversifying assets by targeting new profitable segments and developing the capabilities required to serve those segments
- Rising digitalisation boosts business for digital-first and technology-focused NBFCs
- Using advanced analytics, artificial intelligence and machine learning to build propensity models for lead generation, making real-time offers available to sales representatives by using customer data from multiple internal and external sources
- Synergistic alliances with fintech companies to tap niche markets, with customised product offerings

India is expected to witness a sharp uptick in capital expenditures in 2021-22 from the central government and select large states, which will certainly lead to improvement in capacity utilization of several industries and thereby triggering need for capacity expansion. Additionally, a number of reform measures undertaken by the government including PLI schemes to stimulate investment activities in the country are likely to result in a higher capital requirement for corporates.

#### **RESERVES**

The company proposes to transfer Rs. 181.56 lacs to the statutory reserves out of the amount available for appropriation.

#### **SHARE CAPITAL**

The Company had not issued any equity shares either with or without differential rights during the F.Y. 2020 - 2021 and hence, the disclosure requirements under Section 43 and Rule 4 (4) of the Companies (Share Capital and Debentures) Rules, 2014, are not applicable.

#### **DEPOSITIS**

The Company has neither accepted nor renewed any deposits from public or members during the year under review under Section 73 of the Companies Act, 2013 read with Chapter V of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on 31<sup>st</sup> March, 2021.

#### **DIRECTORS**

In accordance with the provisions of section 152 of the Companies Act, 2013 and articles of association of the Company Mr. Dayakrishna Goyal, (DIN:00398539) (Managing Director) of the company, retires by rotation in the ensuring Annual General Meeting and being eligible has offered himself for re-appointment.

Tenure of Mr. Kiran Vaidya and Mr. Sukdeo Agrawal at the position of Non- Executive Independent Directors of the Company has been completed as on 29<sup>th</sup> January 2021.

As per Section 149(11) of Companies Act 2013, no Independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent director.

Mr. Kiran Vaidya and Mr. Sukdeo Agrawal have successfully completed their both terms of Independent Directorship of the company, consequently their tenure as an Independent Non-Executive Directors of the Company ceased be a director w.e.f 30<sup>th</sup> January 2021.

Your Board places on record its deep appreciation for the valuable contribution made by them during their tenure as Director of the Company.

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

#### **CHANGES IN KEY MANAGERIAL PERSONNEL (KMP'S) DURING THE YEAR 2020-21**

There has been following changes in Key Managerial Personnel of the Company during the year 2020-21:

- Mr. Manish Kabra, Chief Financial Officer of the Company has resigned w.e.f 1<sup>st</sup> September 2020.
- Mrs. Ela Gupta, Company Secretary and Compliance Officer of the Company has resigned w.e.f 31<sup>st</sup> January 2021.
- Mr. Mayank Goyal has been appointed as a Chief Financial Officer of the Company w.e.f 1<sup>st</sup> February 2021
- Mrs. Diksha Joshi has been appointed as the Company Secretary and Compliance Officer of the company w.e.f 12<sup>th</sup> July 2021



## **DIRECTOR'S RESPONSIBILITY STATEMENT**

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

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

## **DECLARATION BY INDEPENDENT DIRECTOR**

The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') as amended from time to time. The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors. In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ("IICA"). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. All the Independent Directors of the Company are exempt from the requirement to undertake online proficiency self-assessment test.

## **EVALUATION OF DIRECTORS, COMMITTEE AND BOARD**

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

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

## **NUMBER OF BOARD MEETINGS HELD DURING THE PERIOD**

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

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement/Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, **04 (Four)** Board Meetings were held during the year ended 31<sup>st</sup> March 2021, the dates are **27<sup>th</sup> May 2020, 25<sup>th</sup> August 2020, 04<sup>th</sup> November 2020, 30<sup>th</sup> January, 2021**. 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 2021 a separate meeting of the Independent Directors was held on 30<sup>th</sup> January 2021, in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations

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

#### **COMMITTEES OF THE BOARD**

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

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

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

#### **NOMINATION & REMUNERATION POLICY**

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

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION**

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

#### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY**

The Company does not have any subsidiary or associate company and has not entered into joint venture with any other company during the financial year ended 31<sup>st</sup> March 2021. 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.

#### **ANNUAL RETURN**

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 2020-21 is available on the Company's website at [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com)

#### **STATUTORY AUDITORS**

Pursuant to Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. 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 requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017, notified on May 7, 2018.

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.

## **AUDITORS' REPORT**

### **Independent Auditor's Report**

There are no qualifications, reservation or adverse remark or disclaimer in the Independent Auditor's Report provided by M/s. Jain & Trivedi, Chartered Accountants, for the F.Y. 2020-2021. The notes to accounts forming part of financial statements are self-explanatory and need no further clarification.

## **SECRETARIAL AUDIT REPORT**

Pursuant to the provision of section 204 of the Companies Act, 2013 and Rules framed there under Board of Directors have appointed M/s. Kamlesh Jain & Associates, Practicing Company Secretaries to conduct Secretarial Audit. The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2021 forms the integral part of the Board Report as **Annexure-II**.

The Report on Secretarial Audit for the financial year 2020-2021, in Form MR-3, as Annexure II, forms integral part of this Board's Report. During the period under review, the Company has 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 59 days.

However, the Company had filled the vacancy created by resignation of Ms. Ela Gupta as a qualified company secretary with effect from January 31, 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.

**Board Explanation:** The Board have taken adequate required steps to comply to fill up the vacancy of Company Secretary. Please note that with our continuous alternative efforts, we could finally get a qualified Company Secretary to fill up compliance officer post and the same was appointed w.e.f 12<sup>th</sup> July 2021.

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

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

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

## **MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY**

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

### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

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

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

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

The 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.

## **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.

## **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.

## **CORPORATE SOCIAL RESPONSIBILITY**

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

## **LISTING OF SHARES**

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

## **ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS**

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

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

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

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

## **RBI GUIDELINES**

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

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

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

**COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETING**

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

**ACKNOWLEDGEMENT**

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

**For and on behalf of the Board of Directors**

**Dayakrishna Goyal**  
Managing Director  
DIN: 00398539

**Hansraj Goyal**  
Independent Director  
DIN: 00398273

Mumbai, August 31, 2021

**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 – 5.88:1	
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)	Nil
		Mr. Mayank Goyal– CFO	Nil
3	Percentage increase in median remuneration of employees in the financial year	Nil	
4	Number of permanent employees on the rolls of the company	7	
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 Nil and the average increase in the managerial remuneration during the last financial year was Nil.	
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes	

**ANNEXURE- II**  
**Form No. MR-3**  
**Secretarial Audit Report**

(For the Financial year ended 31<sup>st</sup> March, 2021)

[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, 2021, 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, 2021 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 (Not applicable to the listed entity during the Review Period);
  - v. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Banking Financial Companies which are specifically applicable to the Company.
  - vi. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company :-
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 (Not applicable to the Company during the audit Period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable to the Company during the audit Period);
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit Period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit Period)
  - 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 59 days.

However, the Company had filled the vacancy created by resignation of Ms. Ela Gupta as a qualified company secretary with effect from 31st January, 2021 by appointing Ms. Diksha Joshi as a qualified company secretary and compliance officer with effect from 12th 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.

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 they are sent to the directors by electronic means.

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

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

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us, there are adequate systems and processes in the company

commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For Kamlesh Jain & Associates  
Company Secretary in Practice**

**Kamlesh Jain**

Proprietor

ACS-14068

CP No.- 14577

UDIN: A014068C000811579

Place: Mumbai

Date: 20<sup>th</sup> August 2021

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

## **Annexure-A**

To

The Members,

**Upsurge Investment and Finance Limited**

Office No. 303, Morya Landmark I,

Behind Crystal, Plaza, Off New Link Road,

Andheri (West) Mumbai - 400053

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

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

**For Kamlesh Jain & Associates**

**Company Secretaries**

**Kamlesh Jain**

Proprietor

ACS-14068

CP No. - 14577

UDIN: A014068C000811579

Place: Mumbai

Date: 20<sup>th</sup> August 2021

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

## REPORT ON CORPORATE GOVERNANCE

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

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

### 2. BOARD OF DIRECTORS & BOARD MEETINGS

#### a. Composition:

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

The composition of the Board complies with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31<sup>st</sup> March, 2021 the Board comprised of four Directors, out of which 1 (One) is an Executive Director, 1 (One) is a Non-Executive Director and 2 (Two) are Independent, Non-Executive Directors.

#### b. Board Meetings:

During the Financial Year 2020-2021, 4 (Four) Board Meetings were held on 27<sup>th</sup> May 2020, 25<sup>th</sup> August, 2020, 04<sup>th</sup> November 2020, 30<sup>th</sup> January, 2021.

#### c. The composition of the Board, Directorships/Membership of Committee of other Companies as on 31<sup>st</sup> March 2021, no. of meetings held and attended during the financial year are as under:

Name of director	Designation & Category	Relation with other directors	Number of shares held by the director	Number of Board Meeting attended	Attendance of previous AGM held on 30 <sup>th</sup> September, 2020	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	4	Yes	-	-
Mr. Dinesh Vijayvargia	Non-Executive, Independent Director	-	NIL	4	Yes	-	-
Mrs .Pratibha Goyal	Non-Executive, Non Independent Director	Spouse of Mr. Dayakrishna Goyal	15,87,543	4	Yes	-	-

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

Tenure of Mr. Kiran Vaidya and Mr. Sukdeo Agrawal at the position of Non- Executive Independent Directors of the Company has been completed as on 29<sup>th</sup> January 2021 after expiration of Second Consecutive tenure as an Independent Director of the Company.

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

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

**e. Code of Conduct:**

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

**f. Board Independence:**

Based on the confirmation/disclosures received from the Directors, 2 Non-Executive Directors are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

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

**g. Directors' Induction & Familiarisation:**

The Independent Directors are familiarized, with the Company, their duties, roles and responsibilities, the nature of the industry, the business model of the Company, in line with the "Familiarization programme of Independent Directors", the details of which can be viewed at company's website and the web link for the same is :<http://www.upsurgeinvestment.com/pdf/policies/Familiarisation%20Programme%20for%20ID.pdf>

#### **h. Board Evaluation:**

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

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

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

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

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

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

<b>Particulars</b>	<b>Detailed List of Core Skills, Expertise and Competencies</b>
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.

<b>Name of Director</b>	<b>Skills</b>
<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

**j. Board Confirmation on Independent director:**

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

**3. AUDIT COMMITTEE**

The audit committee comprised of

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

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

Ms. Ela Gupta, Company Secretary acts as the secretary of the Committee till 30.01.2021.

Statutory Auditors are also invited to attend the meetings.

**a. Meetings & Attendance**

The Audit Committee has four (4) meetings during the Financial Year 2020-21 and were held on 27<sup>th</sup> May 2020, 25<sup>th</sup> August 2020, 4<sup>th</sup> November 2020 and 30<sup>th</sup> January 2021

All the members have attended all the meetings.

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

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

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

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

Remuneration Committee comprised of

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

The Nomination and Remuneration Committee Meeting was held on 30<sup>th</sup> January 2021, which was attended by all the members.

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

Nomination and Remuneration Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees, formulating criteria for evaluation of performance of independent directors and the board of directors, identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal, and such

other roles as per section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**b. Remuneration of Executive Directors:**

The total remuneration payable to the Managing Directors/Executive Director for the financial year 2020-2021 is as under:

Name	Mr. Dayakrishna Goyal
Designation	Managing Director
All elements of remuneration package inclusive of Salary, perquisites, commission etc.	Rs.12,00,000./- (Rupees twelve lacs only)
Service Contract, Notice Period	The contract is for a period of 5 years and the notice of termination is three months on either side.

The Company currently does not pay any compensation and sitting fees to Non-Executive Directors. The Company currently has no stock option plans for any of its Directors and hence it does not form part of the remuneration package payable to the Managing Director. During the year under review, none of the Directors was paid any performance linked incentive. No Severance fees is payable to him on termination of employment.

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

**c. Performance evaluation criteria for Independent Directors**

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

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

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

**d. Appointment and Remuneration Policy**

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

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

**• Criteria of selection of Non-Executive Directors**

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



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

The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

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

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

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

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

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

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

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

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

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

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

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

## **5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

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

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

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

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

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

The details of composition of the Committee are as under:

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

The Stakeholders Relationship Committee has One (1) meeting during the Financial Year 2020-21 and was held on 30<sup>th</sup> January 2021.

Ms. Ela Gupta Company Secretary, acts as the Secretary of the Committee till 30.01.2021. There were no investors complaints received during the year. There were no requests for share transfer/transmission/deletions of names etc. pending as on 31<sup>st</sup> March 2021 and all such requests were processed and delivered within prescribed time of lodgment with the Company.

Ms. Ela Gupta, Company Secretary has been designated as the Compliance Officer of the Company as per the requirement of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 till 30.01.2021.

#### 6. SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the financial year under review, in Compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) and 25(4) of the Listing Regulations, a separate meeting of Independent Directors was held, on 30<sup>th</sup> January 2021. inter alia to:

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

#### 7. GENERAL BODY MEETINGS

Financial Year	Day & Date of the Meeting	No. of Special Resolution(s) passed	Special Resolutions passed
2017-18	Friday 28 <sup>th</sup> September, 2018 at 10.00 A.M. at Shabari 'SAI-DWAR' Near Laxmi Industrial Estate, Oberoi Complex Road, SAB TV Lane, Andheri (West), Mumbai-400 053	-	No special resolutions passed.
2018-19	Monday 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>
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**During the financial year under review, no special resolution was passed through Postal Ballot.**

## 8. MEANS OF COMMUNICATIONS

The Company has promptly reported all material information including Quarterly Results and press releases to the BSE Ltd. where the Company’s securities are listed. The quarterly results were communicated to the shareholders by way of advertisement in a national daily and in a vernacular language newspaper. Also same are posted on our website: [www.upsurgeinvestment.com](http://www.upsurgeinvestment.com) Further, all other price sensitive and other information is sent to the Stock Exchange where shares of the Company are listed, enabling them to display the same on their website.

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

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

Further, Company has in place the (Prohibition of Insider Trading) Regulations, 2015 which came in to force from 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.

## 9. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting

Day, Date and Time	Thursday 30 <sup>th</sup> September 2021 at 1.00P.M.
Venue	Participation through video-conferencing

### b. Financial Year:

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

### c. Book Closure:

The dates of book closure are from Thursday 23<sup>rd</sup> September 2021 to Thursday, 30<sup>th</sup> September 2021.

### d. Dividend:

The company has not declared any dividend for the year ended 31<sup>st</sup> March, 2021.

### e. Listing on Stock Exchange:

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

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

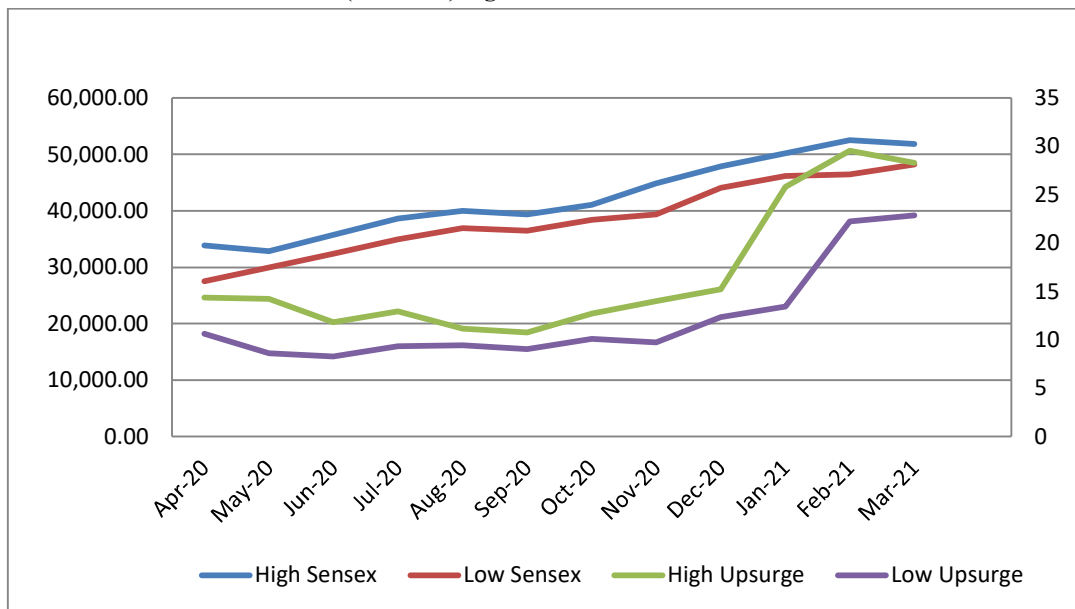
**f. Stock Code:**

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

**g. Market Price Data:**

Month	High (Rs.)	Low (Rs.)
April 2020	14.39	10.61
May2020	14.21	8.63
June 2020	11.81	8.28
July 2020	12.93	9.35
August 2020	11.13	9.42
September 2020	10.77	9.02
October 2020	12.70	10.09
November 2020	13.99	9.75
December 2020	15.20	12.35
January 2021	25.83	13.44
February 2021	29.55	22.25
March 2021	28.30	22.85

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



**h. Registrars and Transfer Agents:**

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

**i. Share Transfer System:**

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

**j. Distribution of Share Holding as on 31<sup>st</sup>March 2021**

Distribution range of Shares	Share holders		Share holdings	
	Number	%	No. of Shares	%
Upto-100	1126	47.75	89168	0.59
101-500	823	34.90	237365	1.57
501-1000	143	6.06	121727	0.80
1001-2000	88	3.73	132963	0.88
2001-3000	44	1.87	114730	0.76
3001-4000	20	0.85	71599	0.47
4001-5000	15	0.64	71135	0.47
5001-10000	26	1.10	204698	1.35
10001-20000	10	0.42	156324	1.03
20001-50000	19	0.81	734372	4.85
50001 & Above	44	1.87	13218319	87.24
<b>Total</b>	<b>2358</b>	<b>100</b>	<b>15152400</b>	<b>100</b>

**k. Shareholding Pattern as on 31<sup>st</sup>March 2021**

Sr. No.	Categories	No. of shares	% of Shareholding
1	Promoter and promoter group	7554823	49.86
2	Private Corporate Bodies	2794282	18.44
3	Residential Individual	4778030	31.53
4	NRI/OCBs	14700	0.10
5	Mutual Fund/Bank/FII	900	0.01
6	Corporate Body –Broker	9,600	0.06
7	Clearing Member	65	0.00
<b>Total</b>		<b>15152400</b>	<b>100.00</b>

**l) Dematerialization of Shares:**

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

As on 31<sup>st</sup> March, 2021, 97.52% of shares have been held in Dematerialized form and rest are in physical form.

All promoter shareholding are in dematerialized form (100%)

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

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

**n) Address for correspondence**

Shareholders, beneficial owners and depository participants (DPs) are requested to send /deliver the documents/Correspondence relating to the Company's share transfer activity etc. to Adroit Corporate Services Private Limited as our Registrar and Transfer Agent of the Company at the following addresses:

**Adroit Corporate Services Private Limited.**

**Unit: Upsurge Investment & Finance Limited.**

17-20, Jaferbhoy Industrial Estate,

1st Floor, Makwana Road,

Marol Naka, Andheri (East),

Mumbai-400 059

Tel No.: 42270400

Email: info@adroitcorporate.com

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

**Upsurge Investment & Finance Ltd.**

Office no. 303, Morya Landmark –I,

Behind Crystal Plaza, Off New Link Road,

Andheri (West), Mumbai- 400 053

Tel No.: 67425441

Email ID for investors Grievances:info@upsurgeinvestment.com

**10. OTHER DISCLOSURES**

**a. RELATED PARTY TRANSACTIONS**

The transactions with related parties as per Ind AS - 24 are set out in Notes to accounts under Note no. 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.

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

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

**b. DETAILS OF NON-COMPLIANCE(S) BY THE COMPANY**

During the year 2020-21, the Company was unable to appoint Company Secretary and Compliance Officer for the period of 59 days,

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

**c. WHISTLE BLOWER POLICY/VIGIL MECHANISM**

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

employee was denied access to the Audit Committee. During the year under review, there were no instances of whistle blower reported.

**d. COMPLIANCE**

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

**e. SUBSIDIARY COMPANIES:**

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

**f. COMMODITY PRICE RISK/ FOREIGN EXCHANGE RISK AND HEDGING**

The Company did not engage in hedging activities.

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

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

**h. FEES PAID TO STATUTORY AUDITORS**

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

(Amount in Rs.)	
<b>Particulars</b>	<b>F.Y. 2020-21</b>
Audit Fees	70,800
Tax Audit & Other Matters	29,500
<b>Total</b>	<b>1,00,300</b>

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

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

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

**11. REVIEW OF LEGAL COMPLIANCE REPORTS**

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

**For & on behalf of the Board of Directors**

**Dayakrishna Goyal**  
**Managing Director**  
**DIN: 00398539**

Mumbai, August 31, 2021

## MD/ CFO CERTIFICATION

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

Dear Sirs,

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

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

- A. We have reviewed financial statements and the cash flow statement of the Company for the financial year ended 31<sup>st</sup> March 2021 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 August 31, 2021

## 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, 2021.

**Dayakrishna Goyal**

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 **CINL67120MH1994PLC079254** 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 me 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, 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, 2021 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.

Sr. No.	Name of Director	DIN No.	Date of Appointment
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 Kamlesh Jain & Associates**

**Company Secretaries**

Kamlesh Jain

Proprietor

ACS-14068

CP No.- 14577

UDIN: A014068C000838859

Mumbai, August 20, 2021

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
Upsurge Investment & Finance Ltd.

We have examined the compliance of conditions of Corporate Governance by Upsurge Investment & Finance Ltd for the year ended 31<sup>st</sup> March, 2021 stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

**For M/s Jain & Trivedi**  
Chartered Accountants  
**FRN. 113496W**

**Satish Trivedi**  
Partner  
**M. No. 038317**  
UDIN: 21038317AAAABW1816

Mumbai, August 31, 2021

## 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, 2021, and the Statement of Profit and loss (including other comprehensive income), the statement of Changes in Equity and the Statement of Cash flows for the year then ended 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 prescribed under section 133 of the Act read with the company (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2021, 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 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, 2021 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, 2021 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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: 21038317AAAABM3121

Mumbai, May 18, 2021

## **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, 2021 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants  
Firm Reg. No. 113496W

### **Satish C. Trivedi**

Partner  
M. No.038317  
UDIN: 21038317AAAABM3121

Mumbai, May 18, 2021



### **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. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The Company has a regular program of physical verification of fixed assets which is, in our opinion, reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
  - c. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties are held in the name of the Company.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. There were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act and hence provisions of Clause 3(iii) of the aforesaid Order are not applicable to the Company.
4. 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. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified. In respect of unclaimed deposits the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Act.
6. In our opinion and according to the information and explanations given to us maintenance of cost records under sub-section (1) of the Section 148 of the Companies Act, 2013 has not been prescribed by the government.
7. a). According to the records of the Company, the Company is generally 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 31<sup>st</sup> March ,2021, 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. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of dues to banks.
9. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year, hence provisions of Clause 3(ix) of the aforesaid Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
11. The Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provision of the Section 197 read with Schedule V of the Act.
12. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company and hence provisions of Clause 3(xii) of the aforesaid Order are not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence provisions of Clause 3(xiv) of the aforesaid Order are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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

Chartered Accountants  
Firm Reg. No. 113496W

**Satish C. Trivedi**

Partner  
M. No.038317  
UDIN: 21038317AAAABM3121

Mumbai, May 18, 2021

## **ADDITIONAL AUDITORS' REPORT**

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

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India in terms of Sub-Section (1A) of section 45MA of the Reserve Bank of India Act, 1934, (Act 2 of 1934) we report that:

- a. The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (CoR) from the Bank.
- b. The company is holding CoR issued by the bank and it is entitled to hold such CoR in terms of its asset/income pattern as on 31<sup>st</sup> March, 2021.
- c. The Company is meeting the required Net Owned fund requirement by the RBI.
- d. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
- e. The company has not accepted any public deposits during the current Financial Year.
- f. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

**For M/s. Jain & Trivedi**  
Chartered Accountants  
**FRN 113496W**

**Satish Trivedi**  
Partner  
**M. No.: 038317**  
UDIN: 21038317AAAABM3121

Mumbai, May 18 2021

**BALANCE SHEET AS AT 31ST MARCH, 2021**

(In ₹ thousand)

Particulars	Note No.	As at March 31	
		2021	2020
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	2	596.13	1,046.63
Bank Balance other than above	3	91385.07	45,260.49
Receivables			
(i) Trade Receivables	4	176.67	2,220.76
(ii) Other Receivables		-	-
Loans	5	70,324.84	55,939.30
Investments	6	1,10,332.90	60,312.89
Other financial assets	7	10.86	172.67
<b>Total Financial Assets</b>		<b>2,72,826.47</b>	<b>1,64,952.74</b>
<b>Non - Financial Assets</b>			
Inventories	8	54,853.97	55,765.86
Current Tax Assets(Net)	9	2,909.70	3,981.33
Deferred Tax Assets ( Net)			-
Property, plant and equipment	10	284.22	260.26
Other Non - Financial Assets	11	10.91	13.50
<b>Total Non - Financial Assets</b>		<b>58,058.80</b>	<b>60,020.95</b>
<b>Total Assets</b>		<b>3,30,885.27</b>	<b>2,24,973.69</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Financial Liabilities</b>			
Payables			
Trade Payable			
i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other Payables			
i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Borrowings (Other than Debt Securities)	12	40,616.89	26,231.61
Other financial Liabilities	13	294.57	557.14
<b>Total Financial Liabilities</b>		<b>40,911.46</b>	<b>26,788.75</b>

**Non - Financial Liabilities**

Provision	14	1,339.87	299.05
Other non - financial Liabilities	15	1.60	38.50
<b>Total Non - Financial Liabilities</b>		<b>1,341.47</b>	<b>337.55</b>
<b>Total Liabilities</b>		<b>42,252.93</b>	<b>27,126.30</b>
<b>Equity</b>			
Equity Share Capital	16	1,51,524.00	1,51,524.00
Other Equity	17	1,37,108.34	46,323.39
<b>Total Equity</b>		<b>2,88,632.34</b>	<b>1,97,847.39</b>
<b>Total equity and Liabilities</b>		<b>3,30,885.27</b>	<b>2,24,973.69</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**

**Dayakrishna Goyal**

**Hansraj Goyal**

Managing Director

Independent Director

**Satish Trivedi**

DIN : 00398539

DIN: 00398273

Partner

**M. No. 038317**

**Mayank Goyal**

Chief Financial Officer

Mumbai, May 18, 2021

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021**

(In ₹ thousand)

Particulars	Notes	For the year ended March 31	
		2021	2020
<b>Revenue from Operations</b>			
Interest Income	18	8,633.36	13,463.81
Dividend Income	19	8,998.53	1,348.42
Net gain on fair value change	20 A	67,173.80	812.44
Sale of Share and Securities	21	1,92,524.79	2,09,308.41
Other Operating Income	22	5,587.89	428.64
<b>Total Revenue from Operation</b>		<b>2,82,918.37</b>	<b>2,25,361.72</b>
Other Income		-	-
<b>Total Income (I+II)</b>		<b>2,82,918.37</b>	<b>2,25,361.72</b>
<b>Expenses</b>			
Finance Costs	23	1,293.86	716.71
Net loss on fair value change	20 B	-	13,292.54
Purchases of Stock-in-Trade	24	1,74,637.88	2,34,161.88
Changes in Inventories of stock-in-trade	25	911.90	7,431.58
Employee Benefits Expenses	26	4,389.08	3,994.35
Depreciation and amortisation expense	10	60.67	213.87
Other Expenses	27	6,141.61	6,127.04
<b>Total Expenses</b>		<b>1,87,435.00</b>	<b>2,65,937.97</b>
<b>Profit before Tax</b>		<b>95,483.37</b>	<b>(40,576.25)</b>
<b>Tax Expense:</b>			
1. Current Tax	28	4,698.45	-
2. Deferred Tax		-	-
3. Previous Year Tax		-	1.50
<b>Total Tax Expenses</b>		<b>4,698.45</b>	<b>1.50</b>
<b>Net Profit After Tax</b>		<b>90,784.92</b>	<b>(40,577.75)</b>
<b>Other comprehensive income</b>		-	-
<b>Total Comprehensive Income</b>		<b>90,784.92</b>	<b>(40,577.75)</b>
<b>Earnings Per Equity Share (Face Value Rs. 10/-)</b>			
1. Basic (Rs.)		5.99	(2.68)
2. Diluted (Rs.)		5.99	(2.68)

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 18, 2021

**Mayank Goyal**  
 Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

### 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	
	2021	2020
<b>A Cash flow from operating activities</b>		
Net Profit/(Loss) before tax	95,483.37	(40,576.25)
Depreciation	60.67	213.87
Dividend Income	(8,998.53)	(1,348.42)
Net (Profit)/loss on financial asset designated at FVTPL	(59,709.12)	29,326.93
Provision for/ (Reversal of) Standard Assets	27.38	(61.13)
Provision for/ (Reversal of) Sub-Standard Assets	832.12	-
Gain on Sale of Investments	(7,464.68)	147.32
Provision for/ (Reversal of) Equity Option Premium	181.32	-
<b>Operating profit / (loss) before working capital changes</b>	<b>20,412.53</b>	<b>(12,297.68)</b>
<b>Changes in working capital:</b>		
Increase /(decrease) in other Financial liabilities	(262.57)	230.52
Increase /(decrease) in other Non Financial liabilities	(36.90)	36.90
Increase /(decrease) in borrowing	14,385.28	20,213.29
Decrease / (Increase) in loans	(14,385.54)	24,453.45
Decrease / (Increase) in Advances	(3,626.80)	(2,365.79)
Decrease / (Increase) in Other Non Financial Assets	2.59	1.94
Decrease / (Increase) in Other Financial Assets	161.81	(158.42)
Decrease / (Increase) in Inventories	911.89	7,431.58
Decrease / (Increase) in Trade receivable	2,044.09	(848.41)
<b>Cash generated from operations</b>	<b>19,606.38</b>	<b>36,697.38</b>
Direct taxes paid (net of refunds)	-	150.00
<b>Net cash flow from / used in operating activities (A)</b>	<b>19,606.38</b>	<b>36,847.38</b>
<b>B Cash flow from investing activities</b>		
Dividend Income	8,998.53	1,348.42
Investment in Bank Deposits (having maturity of more than 3 months)	-	-
Purchase of fixed assets including intangible assets	(84.65)	(30.00)

Purchase of Non Current Investment	(1,13,730.90)	(17,383.85)
Proceeds from sale of Non Current Investments	1,30,884.72	-
<b>Net cash used in investing activities (B)</b>	<b>26,067.70</b>	<b>(16,065.43)</b>
<b>C Cash flow from financing activities</b>		
Dividend Paid Including DDT	-	-
<b>Net cash from financing activities (C)</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>45,674.08</b>	<b>20,781.95</b>
Cash and cash equivalents at the beginning of the year	46,307.12	25,525.17
<b>Cash and cash equivalents at the end of the year</b>	<b>91,981.20</b>	<b>46,307.12</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

Mumbai, May 18, 2021



**Statement of change in equity for the year ended 31<sup>st</sup> March 2021**

(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, 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

**2 Previous Reporting Period**

Balance as at 1st April, 2019	Changes in Equity Share Capital during the year (refer note 16)	Balance as at 31st March, 2020
₹ 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		
Balance as at 1st April, 2020	66,000.00	10,821.70	(30,863.44)	365.13	-	46,323.39
Profit for the year	-	-	90,784.95	-	-	90,784.95
Appropriation Transfer to Statutory reserves	-	18,156.98	(18,156.98)	-	-	-
Other comprehensive income	-	-	-	-	-	-
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>41,764.52</b>	<b>365.13</b>	<b>-</b>	<b>1,37,108.34</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		
Balance as at 1st April, 2019	66,000.00	10,821.70	9,714.31	365.13	-	86,901.14
Profit for the year	-	-	(40,577.75)	-	-	(40,577.75)
Other comprehensive income	-	-	-	-	-	-
Changes in fair value of FVOCI equity instruments	-	-	-	-	-	-
<b>Total Comprehensive income as at 31st March, 2020</b>	<b>66,000.00</b>	<b>10,821.70</b>	<b>(30,863.44)</b>	<b>365.13</b>	<b>-</b>	<b>46,323.39</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 18, 2021**Mayank Goyal  
**Chief Financial Officer**

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

### **Basis of preparation:**

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

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

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

### **1. Summary of significant accounting policies:**

#### **a) Presentation of standalone financial statements**

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

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

#### **b) Statement of compliance**

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

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

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

#### **c) Financial instruments**

- i. Classification of financial instruments

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

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

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

#### **Business model assessment**

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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

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

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

### **The Solely Payments of Principal and Interest (SPPI) test**

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

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

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

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

### **ii. Financial assets measured at amortised cost**

#### **Debt instruments**

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

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

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

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

Items at fair value through profit or loss comprise:

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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

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

### iv. Reclassification

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

### v. Recognition and Derecognition of financial assets and liabilities

#### Recognition:

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

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

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

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

Derecognition of financial assets other than due to substantial modification

#### a. Financial assets:

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

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

A transfer only qualifies for derecognition if either:

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

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. When the Company has neither transferred

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### b. Financial liabilities

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

## vi. Impairment of financial assets

### Overview of the ECL principles

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

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

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

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

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

**Based on the above, the Company 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.

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

### Stage 3

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

### Credit-impaired financial assets:

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

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

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

### The mechanics of ECL:

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

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

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

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

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

### Collateral Valuation

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

### Collateral repossessed

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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

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

### vii. Write-offs

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

### viii. Determination of fair value

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

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

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

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

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

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

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

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

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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

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

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

### **Difference between transaction price and fair value at initial recognition**

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

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

### **d) Revenue from operations**

#### **i. Interest Income**

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

#### **The EIR is computed**

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

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

#### **ii. Dividend Income**

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

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

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

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

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



## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

### 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. Taxes

##### Current Tax

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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

### Minimum Alternate Tax (MAT)

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

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

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

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

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

### f. Cash and cash equivalents

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

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

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

### **g. Property, plant and equipment**

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

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

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

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

### **h. Provisions**

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

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

### **i. Contingent Liabilities**

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

### **j. 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.

## Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

### k. Significant accounting judgements, estimates and assumptions

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

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

#### i) Defined employee benefit assets and liabilities

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

#### ii) Impairment of loans portfolio

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

#### iii) Effective Interest Rate (EIR) method

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

Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

(In ₹ thousand)

Particulars	As at March 31	
	2021	2020
<b>2 CASH AND CASH EQUIVALENTS</b>		
i. Cash on hand	467.41	612.78
ii. Balance with banks:		
- Current Accounts	128.72	393.76
- Overdraft Accounts	0.00	40.09
- Deposit with original maturity less than 3 months #	-	-
	<b>596.13</b>	<b>1,046.63</b>
<b>3 BANK BALANCE OTHER THEN ABOVE</b>		
Earmarked balances with banks		
- Deposit with original maturity More than 3 months #	91,182.58	45,058.00
- Unclaimed Dividend Account	202.49	202.49
	<b>91,385.07</b>	<b>45,260.49</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	176.67	2,220.76
<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>Others</b>		
	<b>176.67</b>	<b>2220.76</b>

**5 LOANS**

PARTICULARS	As at March 31			
	2021		2020	
	Amortised Cost	Total	Amortised Cost	Total
<b>A.</b>				
Loans Repayable on Demand	70,324.84	70,324.84	55,939.30	55,939.30
<b>Total - Gross (A)</b>	<b>70,324.84</b>	<b>70,324.84</b>	<b>55,939.30</b>	<b>55,939.30</b>
Less : Expected Credit Loss	-	-	-	-
<b>Total - Net (A)</b>	<b>70,324.84</b>	<b>70,324.84</b>	<b>55,939.30</b>	<b>55,939.30</b>
<b>B.</b>				
a. Secured by tangible assets	65,159.24	65,159.24	35,014.03	<b>35,014.03</b>
b. Unsecured	5,165.60	5,165.60	20,925.27	<b>20,925.27</b>
<b>Total - Gross (B)</b>	<b>70,324.84</b>	<b>70,324.84</b>	<b>55,939.30</b>	<b>55,939.30</b>
Less : Expected Credit Loss	-	-	-	-
<b>Total - Net (B)</b>	<b>70,324.84</b>	<b>70,324.84</b>	<b>55,939.30</b>	<b>55,939.30</b>
<b>C.</b>				
Loans in India				
i. Public Sector	-	-	-	-
ii. Others	70,324.84	70,324.84	55,939.30	<b>55,939.30</b>
<b>Total - Gross (C)</b>	<b>70,324.84</b>	<b>70,324.84</b>	<b>55,939.30</b>	<b>55,939.30</b>
Less : Expected Credit Loss	-	-	-	-
<b>Total - Net (C)</b>	<b>70,324.84</b>	<b>70,324.84</b>	<b>55,939.30</b>	<b>55,939.30</b>

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

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

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

Notes forming part of the financial statement for the year ended 31<sup>st</sup> March 2021

(In ₹ thousand)

6 INVESTMENTS

PARTICULARS	As at March 31			
	2021		2020	
	Nos	Amount *	Nos	Amount *
<b>Equity Instruments - Quoted</b>				
Yash Management & Satellite Ltd	-	-	2840000	15449.60
<b>(Equity Shares of Rs. 10/- each)</b>				
Oil India Limited	-	-	28200	2332.14
<b>(Equity Shares of Rs.10/- each)</b>				
Tata Power Limited	-	-	59490	1954.25
<b>(Equity Shares of Rs. 1/- each)</b>				
Oil & Natural Gas	23100	2359.67	-	-
<b>(Equity Shares of Rs. 10/- each)</b>				
HG Infra Engineering Limited	30000	8923.50	186000	31852.50
<b>(Equity Shares of Rs. 10/- each)</b>				
Capri Global Capital Limited	121482	46181.38	27540	4713.47
<b>(Equity Shares of Rs. 2/- each)</b>				
Fineotex Chemicals Ltd	700000	46060.00	-	-
<b>(Equity Shares of Rs.10/- each)</b>				
SBI Life Insurance Co. Ltd	1500	1320.75	-	-
<b>(Equity Shares of Rs. 1/- each)</b>				
Vedanta Ltd	24000	5487.60	-	-
<b>(Equity Shares of Rs. 1/- each)</b>				
<b>Total A</b>		<b>110332.90</b>		<b>56301.96</b>
<b>Equity Instruments - unquoted</b>				
The Bharat Co- Operative Bank Mumbai Ltd	-	-	50000	500.00
<b>(Equity Shares of Rs. 10/- each)</b>				
<b>Total B</b>	-	-		<b>500.00</b>
<b>Bonds - Quoted</b>				
State Bank of India	-	-	15	155.63
<b>(Equity Shares of Rs. 10000/- each)</b>				
<b>Total C</b>	-	-	<b>15</b>	<b>155.63</b>
<b>Mutual Fund &amp; ETF</b>				
Nippon India CPSE ETF			2,08,663	3,355.30
<b>Total D</b>	-	-		<b>3355.30</b>
<b>Grand Total A+B+C+D</b>	-	<b>110332.90</b>		<b>60312.89</b>
<b>Aggregate book value of quoted investment</b>		<b>82768.41</b>		<b>87680.95</b>
<b>Aggregate book value of quoted Mutual Fund &amp; ETF</b>		-		<b>4276.56</b>
<b>Aggregate book value of unquoted investment</b>		-		<b>500.00</b>

\* Amount at fair value through profit or loss

Notes forming part of the financial statement for the year ended 31st March 2021

(In ₹ thousand)

Particulars	As at March 31	
	2021	2020
<b>7 OTHERS FINANCIAL ASSETS</b>	10.86	158.42
Dividend Receivable	-	14.25
Interest Receivable	<b>10.86</b>	<b>172.67</b>
<b>8 INVENTORIES</b>		
Stock - in trade	54,853.97	55,765.86
	<b>54,853.97</b>	<b>55,765.86</b>
<b>9 CURRENT TAX ASSETS (NET)</b>		
Advance Tax (net of provision for tax)	2,909.70	3981.33
	<b>2,909.70</b>	<b>3981.33</b>

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

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	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>1,793.20</b>	<b>284.22</b>	<b>260.26</b>

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

## Notes forming part of the financial statement for the year ended 31st March 2021

(In ₹ thousand)

Particulars	As at March 31	
	2021	2020
<b>11 OTHER NON-FINANCIAL ASSETS</b>		
Prepaid Exp	10.91	13.50
<b>Total</b>	<b>10.91</b>	<b>13.50</b>
<b>12 BORROWINGS (OTHER THAN DEBT SECURITIES) - AT AMORTISED COST</b>		
<b>Secured</b>		
<b>Loan Repayable on Demand</b>		
From Banks (Overdraft)*	40,616.89	26,231.61
<b>Total (A)</b>		
Borrowings in India	40,616.89	26,231.61
Borrowings outside India	-	-
<b>Total</b>	<b>40,616.89</b>	<b>26,231.61</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 0.65% 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	202.49	202.49
Other	92.08	354.65
<b>Total</b>	<b>294.57</b>	<b>557.14</b>
<b>14 PROVISION</b>		
Provision for Equity Option Premium	340.52	159.20
Provision for Standard Assets	167.23	139.85
Provision for Sub-Standard Assets	832.12	-
<b>Total</b>	<b>1,339.87</b>	<b>299.05</b>
<b>15 OTHER NON-FINANCIAL LIABILITIES</b>		
<b>Other Payables</b>		
Statutory Remittances /Due	1.60	38.50
<b>Total</b>	<b>1.60</b>	<b>38.50</b>



## Notes forming part of the financial statement for the year ended 31st March 2021

### 16 EQUITY SHARE CAPITAL

(In ₹ thousand)

Particulars	As at March 31	
	2021	2020
<b>Authorised</b>		
1,52,50,000 Equity Shares	1,52,500.00	1,52,500.00
( Previous Year 1,52,50,000 of Rs. 10/- each)		
	<b>1,52,500.00</b>	<b>1,52,500.00</b>
<b>Issued, Subscribed and Fully Paid-up :</b>		
1,52,40,000 Equity Shares	1,51,524.00	1,51,524.00
( Previous Year 1,52,40,000 of Rs. 10/- each)		
	<b>1,51,524.00</b>	<b>1,51,524.00</b>

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

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

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

Particulars	Nos	%	Nos	%
Gagandeep Multitrade Pvt. Ltd.	2154680	14.22	2154680	14.22
Dayakrishna Goyal	1250000	8.25	1250000	8.25
Dayakrishna Goyal ( HUF)	1300000	8.58	1300000	8.58
Pratibha Goyal	1587543	10.48	850999	5.62

#### 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

### 17 OTHER EQUITY

Particulars	As at March 31	
	2021	2020
<b>Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934</b>		
Opening balance	10,821.70	10,821.70
Add: Transfer during the year	18,156.98	-
	<b>28,978.68</b>	<b>10,821.70</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	(30,863.44)	9,714.31
Add : Profit of the Year	90,784.95	(40,577.75)
Less: Appropriation Transfer to Statutory reserves	18,156.98	-
Add/Less: Ind AS adjustments on transition		
<b>Amount available for appropriation</b>	<b>41,764.52</b>	<b>(30,863.44)</b>

## Notes forming part of the financial statement for the year ended 31st March 2021

(In ₹ thousand)

Particulars	Year ended March 31	
	2021	2020
<b>18 INTEREST INCOME</b>		
Interest on loans	2,763.92	9,408.00
Interest on deposits	5,777.81	4,041.56
Interest on Others	91.63	14.25
	<b>8,633.36</b>	<b>13,463.81</b>
<b>19 DIVIDEND INCOME</b>		
Dividend Income	8,998.53	1,348.42
	<b>8,998.53</b>	<b>1,348.42</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	67,173.80	812.44
Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net gain on fair Value Change	<b>67,173.80</b>	<b>812.44</b>
(D) Fair Value Changes:		
Realised	7,464.68	812.44
Unrealised	59,709.12	-
	<b>67,173.80</b>	<b>812.44</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	-	(13,292.54)
Others	-	-
(ii) On financial instruments designated at fair value through profit or loss	-	-
(B) Others	-	-
(C) Total Net Loss on fair Value Change	-	<b>(13,292.54)</b>
(D) Fair Value Changes:		
Realised	-	16,034.39
Unrealised	-	(29,326.93)
	-	<b>(13,292.54)</b>
<b>21 SALE OF SHARES &amp; SECURITIES</b>		
Sale of Shares & Securities	1,92,524.79	2,09,308.41
	<b>1,92,524.79</b>	<b>2,09,308.41</b>
<b>22 OTHER OPERATING INCOME</b>		
Profit from trading activities	1,178.91	2,429.48
Profit from stock futures	4,408.98	(2,000.84)
	<b>5,587.89</b>	<b>428.64</b>
<b>23 FINANCE COST</b>		
Interest Expenses	1,293.86	716.71
	<b>1,293.86</b>	<b>716.71</b>

**Notes forming part of the financial statement for the year ended 31st March 2021**

(In ₹ thousand)

Particulars	Year ended March 31	
	2021	2020
<b>24 PURCHASES OF STOCK-IN-TRADE</b>		
Purchases of Shares & Securities	1,74,637.88	2,34,161.88
	<b>1,74,637.88</b>	<b>2,34,161.88</b>
<b>25 CHANGE IN INVENTORIES OF STOCK - IN - TRADE</b>		
<b>Opening Stock</b>		
-Stock in Trade	55,765.86	63,197.44
<b>Less: Closing Stock</b>		
-Stock in Trade	(54,853.96)	55,765.86
	<b>911.90</b>	<b>7,431.58</b>
<b>26 EMPLOYEE BENEFITS EXPENSES</b>		
Salary, Wages, Bonus etc	4,030.82	3,727.29
Staff Welfare expenses	358.26	267.06
	<b>4,389.08</b>	<b>3,994.35</b>
<b>27 OTHER EXPENSES</b>		
Electricity charges	102.57	90.79
Rent	420.00	408.00
Repairs to building	-	208.39
Repairs to machinery	82.00	26.41
Legal & Professional Fees -	1,049.08	435.99
Payments to Auditors ( including GST)		
- Audit fees	70.80	70.80
- Tax Audit fees & other matters	29.50	29.50
Business Promotion	284.91	464.79
Donation paid	-	1,100.00
Insurance charges	49.26	12.52
Travelling	129.90	227.38
Conveyance	348.80	326.50
Listing fees & other charges	354.00	354.00
Office expenses	385.42	287.27
Printing, Stationary & xerox	147.37	192.02
Motor car expenses	348.74	604.43
Securities transaction charges	419.14	491.41
Telephone charges	131.27	66.32
Transaction & Service charges	264.88	230.05
Miscellaneous & other expenses	664.47	561.60
Provision for NPA	832.12	-
Provision for Standard Assets	27.38	(61.13)
	<b>6,141.61</b>	<b>6,127.04</b>

## Notes forming part of the financial statement for the year ended 31st March 2021

	(In ₹ thousand)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>28. COMMITMENTS &amp; CONTINGENT LIABILITY</b>	Nil	Nil
<b>29. FOREIGN CURRENCY TRANSACTION</b>	Nil	Nil
<b>30. EARNINGS PER SHARE</b>		

Particulars		For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net Profit after tax as per Statement of Profit and Loss	A	90784.92	(40,577.75)
Weighted average number of equity shares for Calculating Basic EPS (Nos.)	B	15152400	15152400
Weighted average number of equity shares for Calculating Diluted EPS (Nos.)	C	15152400	15152400
Basic earnings per equity share (in Rupees) (Face value of ` 10/- per share) ₹	A/B	5.99	(2.68)
Diluted earnings per equity share (in Rupees) (Face value of ` 10/- per share ₹	A/C	5.99	(2.68)

### 31. 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'

### 32. INCOME TAXES

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>Current Year Income Tax</b>		
In respect of the current year	4698.45	-
<b>Previous Year Income Tax</b>		
In respect of prior years	-	1.50
	-	<b>1.50</b>

**Notes forming part of the financial statement for the year ended 31st March 2021**

<b>Total</b>	<b>4698.45</b>	<b>1.50</b>
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(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:

<b>Particulars</b>	<b>For the Year ended March 31, 2021</b>	<b>For the Year ended March 31, 2020</b>
Accounting Profit/(loss) before tax	95483.37	(44,576.25)
Income Taxable : Normal Income –A	18558.51	-
Special Income –B	2899.11	
Normal Tax Rate –C	22.88%	-
Special Tax Rate –D	15.60%	-
<b>i. Derived Tax from Normal Income Charge for the year (A*C)</b>	4246.18	-
<b>ii. Derived Tax from Special Income Charge for the year (B*D)</b>	452.27	-
<b>Total Income Tax (i+ii)</b>	<b>4698.45</b>	<b>-</b>

**33. REMUNERATION TO DIRECTORS**

Managerial Remuneration	1,200.00	1,100.00
<b>Total</b>	<b>1,200.00</b>	<b>1,100.00</b>

**34. 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

**35. 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:

<b>Name of Related Party</b>	<b>Relationship</b>
Sankalp Properties Pvt. Ltd.	KMP is Director
Shri. Dayakrishna Goyal	Key Managerial Personal

<b>Particulars</b>	<b>Related Party</b>	<b>31<sup>st</sup> March, 2021</b>	<b>31<sup>st</sup> March, 2020</b>
Rent Paid	Sankalp Properties Pvt. Ltd	420.00	408.00
Managerial Remuneration	Dayakrishna Goyal	1,200.00	1,100.00

## Notes forming part of the financial statement for the year ended 31st March 2021

36. 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.

### 37. RISK MANAGEMENT

#### i) Risk Disclosures

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

#### ii) Credit risk

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

#### a) Impairment assessment

##### i) Exposure at Default

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

The advances have been bifurcated into following three stages:

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

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

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

##### iii) Significant increase in credit risk

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

##### iv) Definition of default and cure

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

As a part of a qualitative assessment of whether a customer is in default, the Company also considers a variety of instances that may indicate unlikeness 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;

## Notes forming part of the financial statement for the year ended 31st March 2021

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.

**38. 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**

**Satish Trivedi**

Partner

M.No. 038317

**For and on behalf of Board**

**Dayakrishna Goyal**

Managing Director

DIN: 00398539

**Hansraj Goyal**

Independent Director

DIN: 00398273

**Mayank Goyal**

Chief Financial Officer

Mumbai, May 18, 2021

Notes to the financial statements for the year ended 31st March 2021

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

(Rs. In "000")		
	Amount outstanding	Amount Overdue
<b>Liabilities side:</b>		
<b>1 Loans and Advances availed by the NBFC's inclusive of</b>		
(a) Debenture: Secured	-	-
Unsecured (other than falling within the meaning	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowing	-	-
(e) Commercial paper	-	-
(f) Public Deposits*	-	-
(g) Other Loans (specify nature)	-	-
Overdraft balance with banks secured against fixed deposits	40,616.89	-
* Please see note 1 below		
<b>2 Break up of (1) (f) above (Outstanding public deposit inclusive of interest</b>		
(a) In the form of unsecured debenture	-	-
(b) In the form of partly secured debenture where there is a shortfall in the	-	-
(c) Other public deposits	-	-
*Please see Note 1 below		
<b>Assets side:</b>		
Amount outstanding		
<b>3 Break up of Loans and advances including bills receivables (other than those</b>		
(a) Secured	65,159.24	-
(b) Unsecured	5,165.60	-
<b>4 Break up of Leased Assets and Stock on hire and other assets counting</b>		
i Lease assets including lease rentals under sundry debtors:		
(a) Financial lease	-	-
(b) Operating lease	-	-
ii Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
iii Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
<b>5 Break-up of Investments:</b>		
<b>Current Investments:</b>		
<b>1 Quoted:</b>		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
<b>2 Unquoted:</b>		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-



Notes to the financial statements for the year ended 31st March 2021 (Contd.....)

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

(Rs. In "000")

	Amount outstanding	Amount Overdue
<b>Long term investments:</b>		
<b>1 Quoted:</b>		
(i) Shares (a) Equity	1,10,332.90	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-
<b>2 Unquoted:</b>		
(i) Shares (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (Please specify)	-	-

**6 Borrower group-wise classification of assets financed as in (3) and (4) above**

Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1 Related Parties **</b>			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
<b>2 Other than related parties</b>	65,159.24	5,165.60	70,324.84
<b>Total</b>	<b>65,159.24</b>	<b>5,165.60</b>	<b>70,324.84</b>

**7 Investor group-wise classification of all Investments (current and long term) in shares and**

Please see note 3 below

Category	Market value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1 Related Parties **</b>		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
<b>2 Other than related parties</b>	1,10,332.90	92,457.51
<b>Total</b>	<b>1,10,332.90</b>	<b>92,457.51</b>

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

**Notes to the financial statements for the year ended 31st March 2021**

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

**8 Other information**

**(Rs. In lacs)**

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

**Notes:**

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

As per our report of even date

**For JAIN & TRIVEDI**

Chartered Accountants

**FRN : 113496W**

**Satish Trivedi**

Partner

**M. No. 038317**

**For & on behalf of the Board**

**Dayakrishna Goyal**

Managing Director

DIN: 00398539

**Hansraj Goyal**

Independent Director

DIN: 00398273

**Mayank Goyal**

Chief Financial Officer

Mumbai, May 18, 2021

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