



**15<sup>th</sup>**  

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**Annual Report**  
**2008-2009**

**Upsurge Investment & Finance Limited**



## **Upsurge Investment & Finance Ltd.**

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### **REGISTERED OFFICE**

Office No. 9, 3<sup>rd</sup> floor, 7/10, Botawala Bldg  
Horniman Circle, Fort, Mumbai-400001

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# Upsurge Investment & Finance Ltd.

## NOTICE

Notice is hereby given that the FIFTEENTH Annual General Meeting of the members of "UPSURGE INVESTMENT & FINANCE LTD." will be held at Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (west), Mumbai- 400 053 on Tuesday 29<sup>th</sup> September 2009 at 10.00 A.M. to transact the following Business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009, and the Audited Profit & Loss Account for the year ended on that date and the Auditors' and Directors' Reports thereon.
2. To appoint a director in place of Mr. D.K.Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and for this purpose to consider and if thought fit, to pass the following resolution with or without modification(s), as an Ordinary Resolution

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

### SPECIAL BUSSINESS:

4. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Hansraj Goyal, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

### NOTES:

1. *A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting.*
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. **Re-appointment of Director:**  
Shri. D.K.Goyal who retires by rotation and being eligible, offers himself for re-appointment.  
The information required to be provided under the Listing Agreement in respect of Director being re-appointed is given herein below.  
Mr. D.K. Goyal aged 41 years, is a Chartered Accountant having more than 17 years of experience with indepth knowledge in the filed of Accounts, Finance and Capital market.  
Directorship in Other Companies: Shlok Multitrade Private Limited.



## Upsurge Investment & Finance Ltd.

4. Members are requested to bring their Attendance slip along with their copy of Annual Report to the Meeting.
5. Members are requested to notify immediately any change in their address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the company or to its Share Transfer Agents M/s Sharex Dynamic (India) Pvt. Ltd. 17/B Dena Bank Building, Horniman Circle, Fort, Mumbai -400 001 in respect of their holdings in physical form.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The register of members and the share transfer books will remain closed from Friday the 25<sup>th</sup> day of September 2009 to Tuesday the 29<sup>th</sup> day of September 2009 (Both days inclusive) in terms of the provisions of Section 154 of the Companies Act, 1956.

### Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

#### Item No. 4

The Board of Directors of the Company appointed Mr. Hansraj Goyal as an additional Director of the Company with effect from 27<sup>th</sup> July 2009. Pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act"), Mr. Hansraj Goyal will hold office of Director upto the date of the forthcoming Annual General Meeting. The Company has received a notice in writing from a member proposing the candidature of Mr. Hansraj Goyal for the office of Director under the provisions of Section 257 of the Act.

Mr. Hansraj Goyal aged 40 years, is a Chartered Accountant with indepth knowledge in the filed of Accounts, Finance and capital market and has more than 15 years experience in various sectors and industries.

Directorship in other companies: Tenet Bio Pharma Private Limited

Your Directors recommend the resolution for your approval.

Except Mr. Hansraj Goyal, no other Director is concerned or interested in the resolution.

#### REGD OFFICE:

Office No. 9, 3<sup>rd</sup> floor, 7/10,  
Botawala Building, Horniman Circle,  
Fort, Mumbai 400 001

By Order of the Board of Directors

D.K Goyal  
Managing Director

Dated: 28<sup>th</sup> August 2009



# Upsurge Investment & Finance Ltd.

## REPORT OF THE DIRECTORS' AND MANAGEMENT DISCUSSION ANALYSIS

To  
The Members,

Your Directors have pleasure in presenting the FIFTEENTH Annual Report of the Company together with the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2009.

### FINANCIAL RESULTS

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

(Rs. In Lacs)

	Year Ended 31.03.2009	Year Ended 31.03.2008
Total Income	426.14	1064.83
Profit / (loss) before Depreciation and Tax	(49.33)	11.74
Less: Depreciation	3.42	2.35
Profit / (loss) before Tax	(52.75)	9.39
Less: Provision for Income Tax & FBT	0.54	0.99
Profit / (loss) after Tax	(53.29)	8.40
Add: Excess/(Short) Provision for Taxation	-	(0.10)
Balance brought forward from previous years	(8.38)	(14.99)
Transfer to Statutory Reserve	-	1.68
Balance carried to Balance Sheet	(61.66)	(8.38)

### DIVIDEND

In view of losses, the directors do not recommend any dividend for the year ended March 31, 2009.

### PERFORMANCE

2008-09 has been one of the most turbulent years for the world economy. It began with global inflation which was all pervasive and driven by synchronous price rises across all commodity classes-crude oil, gas, coal, metals, minerals and food products. Then came the worst global financial meltdown since the 1930s triggered by the fall of Lehman Brothers and others in the year 2008. Economic slowdown, an unprecedented liquidity crunch and other factors adversely affected the industries which ultimately contributed deep fell in Capital Markets world wide including Indian Stock Market. All these factors resulted negative profitability of the company.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### A. OPPORTUNITIES & THREATS

Boom! That's what everybody heard on the Dalal Street on 18<sup>th</sup> May 2009 after the declaration of election results which was established the mandate of stable government for next five years. Fumes of euphoric explosion are still very much clear and expanding day after day pushing the sensex higher and higher, leaving many investors bereft of major gains from the sudden spurt in markets that were waiting on the sidelines for further correction. Although, sentiments are strong and fumes of expectation are huge there must be sometimes for it to settle down. The new government without the left is seen as a messiah in such a troubled times, which is expected to lift the sinking boat of



## Upsurge Investment & Finance Ltd.

the economy, but, not without unbridled challenges guarding strongly in front of the doors of early sunshine.

Silver lining is the reduction of political risk, improvement in macro numbers with GDP popping the pleasant surprise, increased FII flows and rising consumer confidence. Also, the real impact of the government three fiscal packages and the RBI's monetary policy would be evident only in the second half of this fiscal which will support the turnaround in the economy. Other economic reforms in education, agricultural and reforms in rural area development will be significant for the long term growth of the economy.

Threats/concerns for the markets are:

Failure to reach global agreement on liquidity regulation would be profoundly unhelpful as liquidity regulation is one of the most urgent problems of the financial crisis.

Due to increase in fiscal deficit government may increase spending and financing the spending through marketing borrowing. These could cause the rise in the yield, choking the corporate borrowing programmes.

### **B. RISKS AND CONCERNS**

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

### **C. OPERATING & FINANCIAL PERFORMANCE**

The company has reported net losses during the year under review. This has arisen due to many factors as narrated in the earlier paragraph; however key factors contributed for negative results were mainly fall of stock market and interest rate.

### **D. OUTLOOK**

"Expect the unexpected" is the mantra of the market. After falling more than 60%, who would have expected market to rally over 45%, reporting gains for seven weeks in a row since the low of March 09 till the first week of May. After the declaration of Election results which establish the mandate of stable government for next five years. Fumes of euphoric explosion are still very much clear and expanding day after day pushing the sensex higher and higher. Although, sentiments are strong and fumes of expectation are huge there must be some time for it to settle down. Outlook for the Indian economy continues to remain positive, the growth trajectory is likely to moderate; rising food and commodity prices across the world, volatile financial markets and a diminished risk appetite among international investors are bound to have their impact on the Indian economy.

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

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

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



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### F. HUMAN RESOURCES

Your company continues to lay great stress on its most valuable resource-people. The team has remained as committed as ever and produced results that are considered significant.

### G. CAUTIONARY NOTE

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

### CORPORATE GOVERNANCE

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

### PUBLIC DEPOSITS

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

### DIRECTORS

Mr. Hansraj Goyal was appointed by the Board as an Additional Director of the Company with effect from 27<sup>th</sup> July 2009 and hold office up to the date of the Annual General Meeting.

Due to pre-occupation Mr. Pradeep Jain resigned from the directorship of the company with effect from 27<sup>th</sup> July 2009.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- That in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the company for the year under review;
- That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2009 on a 'going concern' basis.



## Upsurge Investment & Finance Ltd.

### STATUTORY AUDITORS

M/s Bansal, Bansal & Co., Chartered Accountants Auditors of the company, retire from the office of the Auditors at the ensuing Annual General Meeting and being eligible have given a certificate in accordance with the provisions of section 224 (1-B) of the Companies Act, 1956. The Board recommends the re-appointment of M/s. Bansal, Bansal & Co., Chartered Accountants as the Auditors.

### PARTICULARS OF EMPLOYEES

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

### COMMENTS ON AUDITORS REPORT:

Regarding Auditors remarks on accounting for retirement, there are no employees who are eligible for retirement benefits during the year under review.

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

In view of the nature of activities are being carried on by the Company, Rules 2A and 2B of the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and research and development and technology absorption respectively are not applicable to the Company

### FOREIGN EXCHANGE EARNING AND OUTGO

Earnings : Nil Outgo : Nil

### ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

D.K. Goyal  
Managing Director

Mumbai, 28<sup>th</sup> August, 2009





# Upsurge Investment & Finance Ltd.

## REPORT ON CORPORATE GOVERNANCE

### PHILOSOPHY ON CORPORATE GOVERNANCE CODE

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

### BOARD OF DIRECTORS

#### a) Composition:-

The Board of the Company consists of optimum combination of Executive, Non Executive-Independent Director, which is in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges.

The Company has four directors with an Executive Chairman. The number of Independent Non-Executive Directors (NED's) is more than 50% of the total number of Directors. As table shows the company is in compliance with the guidelines.

#### b) Non Executive Directors Compensation:-

The Company currently does not pay any compensation and sitting fees to Non Executive Directors.

#### c) Board Procedures:-

The Board met 6 times during the year 2008 - 2009, on 15<sup>th</sup> April 2008, 18<sup>th</sup> July 2008, 18<sup>th</sup> August 2008, 22<sup>nd</sup> October 2008, 21<sup>st</sup> January 2009 and 19<sup>th</sup> March 2009.

#### d) Attendance Record of Directors:-

Table :- Composition of the Board and attendance record of Directors for 2008-09.

Name of Director	Category	Meetings Attended	Whether attended Last AGM
D.K. Goyal	Managing Director, Executive	6	Yes
B.K.Goyal	Non Executive, Non Independent	5	Yes
Dinesh Vijayvergia	Non Executive, Independent	6	Yes
Pradeep Jain	Non Executive, Independent	5	Yes
Hansraj Goyal **	Non Executive, Independent	N.A.	N.A.

\*\* Mr. Hansraj Goyal has been appointed w.e.f. 27<sup>th</sup> July 2009

#### e) Information Supplied to the Board:-

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

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

#### f) Directorships and Membership of Board Committee

None of the Directors are Director and member of Board Committee in other public limited companies. And neither members in more than 10 committees, nor a chairman in more than 5 committees across all Companies in which he was a Director.



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

**g) Review of Legal Compliance Reports:-**

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

## AUDIT COMMITTEE

**a) Constitution and Composition**

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

Mr. Dinesh Vijayvergia

- Chairman, Independent, Non Executive

Mr. D.K. Goyal

- Member, Non Independent, Executive

Mr. Pradeep Jain

- Member, Independent, Non Executive

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

During the financial year 2008-09, four (4) Audit Committee meetings were held as under- 15<sup>th</sup> April 2008, 18<sup>th</sup> July 2008, 18<sup>th</sup> August 2008, 22<sup>nd</sup> October 2008, 21<sup>st</sup> January 2009

All the committee members were present at all the meetings.

**b) Power & Terms of Reference:-**

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

## SUBSIDIARY COMPANIES

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

## REMUNERATION COMMITTEE

**a) Brief description of terms of reference**

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

**b) Composition**

The constitution of the Remuneration Committee is as follows:

Mr. Dinesh Vijayvergia

- Chairman, Independent, Non-Executive

Mr. Pradeep Jain

- Member, Independent, Non Executive

Mr. B.K.Goyal

- Member, Non Independent, Non Executive

**c) Meetings and attendance**

During the financial year ended March 31, 2009, no Remuneration Committee Meeting was held since the need for any reference to such committee did not arise during the said financial year.



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### d) Remuneration policy

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

### e) Remuneration to Managing Director and Whole Time Directors.

Payment of remuneration to Managing/Whole time Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Managing Director and Whole-time Director comprises of salary, perquisites and allowances.

Presently, the Company does not have any Stock Option Plan or Performance Linked Incentives for its Directors.

### Details of Remuneration to Managing and Whole-Time Director for the Year Ended 31.3.2009

Name	Salary (Rs.)	Perquisites (Rs.)
Mr. D.K.Goyal (Managing Director)	4,20,000/-	Nil

Period of Contract of Managing Director: 5 years from 29<sup>th</sup> July, 2007.

The Contract may be terminated by either party giving the other party one-month's notice in Writing.  
Severance Fees – Nil

### SHARE TRANSFER AND SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE.

The Company has constituted the shareholders/Investors grievance committee comprising of Shri B.K. Goyal, Shri Pradeep Jain & Shri Dinesh Vijayvergia. The Company has authorized Directors and Manager/officer, severally to approve the share transfers.

Mrs. Urmila Lokhande is the Compliance officer of the company.  
There were no investor's complaints during the year 2008-09.

### FINANCE COMMITTEE

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

The finance committee meets as and when the need to consider any matter assigned to it arises. Time schedule for holding the meetings of the finance committee is finalized in consultation with the committee Members.

### GENERAL BODY MEETING

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

Year	Location	Date	Time
2005-2006	19/16 D, Fort Mansion, 2 <sup>nd</sup> Floor, British Hotel Lane, Off M.S. Marg, Mumbai – 400 023.	29 <sup>th</sup> September, 2006	10 A.M.
2006-2007	Office No.9, 3 <sup>rd</sup> Floor, 7/10, Botawala Building, Horniman Circle, Fort, Mumbai – 400 001	18 <sup>th</sup> September, 2007	10 A.M.
2007-2008	Office No.9, 3 <sup>rd</sup> Floor, 7/10, Botawala Building, Horniman Circle, Fort, Mumbai – 400 001	18 <sup>th</sup> September, 2007	10 A.M.



## Upsurge Investment & Finance Ltd.

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

Sr. No.	Date of Meeting	Description of Resolution
1.	29 <sup>th</sup> September, 2006	Remuneration of Managing Director
2.	18 <sup>th</sup> September 2007	Re-appointment of Managing Director

During the year ended 31<sup>st</sup> March 2009, there have been no resolutions passed by the Company's shareholders by postal ballot. At the ensuing Annual General Meeting, there is no resolution proposed to be passed by postal ballot.

### DISCLOSURES

#### (i) Related Party Transactions

During the year, there were no transactions of material nature with Directors or management or their subsidiaries or relatives that had potential conflict with the interest of the company. Detail of related party transactions as laid down under AS-18 Issued by The Institute of Chartered Accountants of India are given in Notes on Accounts in Schedule 'O' forming part of Balance Sheet.

#### (ii) Statutory compliance, penalties and strictures:

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

#### (iii) Whistle Blower Policy

The Company does not have a Whistle Blower Policy at present, since all personnel of the Company have access to the Audit Committee.

#### (iv) (a) Compliance with mandatory requirements:

The Company has complied with the mandatory requirements of the code of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges. The Company has also complied with the requirements of amended clause 49 after it came into force as detailed below.

- Related party transactions: The details of all transactions with related parties are placed before the Audit Committee periodically.
- The preparation of final statement: the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable to the Company
- Disclosures on Risk Management: The Company has laid down procedure to inform Board Members about the risk assessment and minimization procedures, which is subject to review by the management and is required to be placed to the Board on an annual basis.
- CEO\CFO Certification: A certificate from Managing Director and Acting Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board.
- Declaration of Compliance with the Code of Conduct: All the Directors and senior management personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors. A declaration to this effect signed by the Managing Director of the Company is given elsewhere in the report.

#### (b) Compliance with Non – Mandatory Requirements:

##### (1) The Board

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

##### (2) Remuneration Committee:

The Company already has a Remuneration Committee with terms of reference mentioned above. It comprises wholly of Independent Director Including Chairman.



## Upsurge Investment & Finance Ltd.

**(3) Shareholders Rights:**

The Company's results are available on web site [www.sebi.edifar.nic](http://www.sebi.edifar.nic). A half-yearly declaration of financial performance including summary of the significant events is presently not being sent to shareholders.

**(4) Audit qualifications**

Regarding auditors remark on accounting for retirement there are no employees who are eligible for retirement benefits during the year under review.

**(5) Training of Board Members:**

Presently the Company does not have such a training programmed.

**(6) Mechanism for evaluating non-executive Board Members:**

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

**(7) Whistle Blower Policy:**

Presently the Company does not have a Whistle Blower Policy.

### MEANS OF COMMUNICATIONS

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

### GENERAL SHAREHOLDER INFORMATION:

<b>1.</b>	<b>Annual General Meeting</b>		
	Date and Time	:	29 <sup>th</sup> September 2009 at 10.A.M.
	Venue	:	Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (west), Mumbai- 400 053
<b>2.</b>	<b>Financial Calendar 2009-2010 (tentative)</b>		
	Results for the quarter ending 30 <sup>th</sup> June, 2009	:	27 <sup>th</sup> July 2009
	Results for the quarter ending 30 <sup>th</sup> September, 2009	:	Last week of October 2009
	Results for the quarter ending 31 <sup>st</sup> December, 2009	:	Last week of January 2010
	Results for the quarter ending 31 <sup>st</sup> March, 2010	:	Last week of April 2010
<b>3.</b>	<b>Book Closure date</b>	:	Friday the 25 <sup>th</sup> day of September 2009 to Tuesday the 29 <sup>th</sup> day of September 2009
<b>4.</b>	<b>Dividend Payment date</b>	:	The Company has not declared any dividend for the year ended March 31, 2009
<b>5.</b>	<b>Equity Shares Listed on Stock Exchanges at</b>	:	The Stock Exchange Mumbai
<b>6.</b>	<b>Stock Code</b>		
	(a) Trading Symbol at The Stock Exchange Mumbai (Physical Segment)	:	531390
	(b) Demat ISIN Numbers in NSDL & CDSL Equity Shares	:	INE 890B01014

## Upsurge Investment & Finance Ltd.

7.	The High/Low Price during each month in the last financial year is given hereunder		
	<b>Months</b>	<b>Highest Price (Rs.)</b>	<b>Lowest Price (Rs.)</b>
	April 2008	10.14	8.11
	May 2008	14.15	8.55
	June 2008	11.45	8.99
	July 2008	9.15	7.55
	August 2008	8.66	7.25
	September 2008	7.69	6.90
	October 2008	7.36	6.00
	November 2008	6.00	4.76
	December 2008	4.80	4.35
	January 2009	7.25	4.52
	February 2009	11.84	6.90
	March 2009	10.12	5.56

Source: BSE

8.	<b>Registrars and Transfer Agents</b> (Share transfer and communication regarding share certificates, and change of address)	<b>Sharex Dynamic (India) Pvt.Ltd.</b> 17/B, Dena Bank Building, Horniman Circle, Fort Mumbai-400001
9.	<b>Share Transfer System</b>	Presently, the share transfers in physical form are processed and the share certificates returned with in a period of 15-20 days from the date of receipt, subject to the documents being clear in all respects.

### 10. Distribution of share holding as at 31<sup>st</sup> March 2009.

Shares of Nominal Value	Share holders		Share holdings		
	Number	%	No. of Shares	Amount in Rs.	%
Up to 5000	2317	77.13	453671	4536710	4.96
5001 – 10000	285	9.49	251788	2517880	2.75
10001 – 20000	153	5.09	248945	2489450	2.72
20001 – 30000	60	2.00	159629	1596290	1.74
30001 – 40000	28	0.93	97990	979900	1.07
40001 – 50000	27	0.90	129500	1295000	1.41
50001 – 100000	56	1.86	422561	4225610	4.62
100001 & above	78	2.60	7388316	73883160	80.73
<b>Total</b>	<b>3004</b>	<b>100.00</b>	<b>9152400</b>	<b>91524000</b>	<b>100.00</b>



## Upsurge Investment & Finance Ltd.

### 11. Shareholding Pattern as on March 31, 2009

Categories	No of Shares	% of Holding
Promoters	3373801	36.862
Private Corporate Bodies	2359091	25.776
Residential Individual	3366708	36.785
NRI's/ OCBs	51600	0.564
Mutual Fund/FII's	900	0.010
Clearing Members	300	0.003
<b>Total</b>	<b>9152400</b>	<b>100.00</b>

12. Dematerialization of Shares : 70.71% of the equity shares have been dematerialized up to 31<sup>st</sup> March 2009.

13. Investor Correspondence for transfer/dematerialization of shares or any other query relating to the shares of the company.

**For Shares held in physical form** : Sharex Dynamic (India) Pvt.Ltd.  
17/B Dena Bank Building,  
Horniman Circle, Fort, Mumbai -400 001

**For Shares held in Demat Form** : To the Depository Participant

14. Any query on Annual Report : Upsurge Investment & Finance Ltd.  
Office No. 9, 3<sup>rd</sup> floor 7/10, Botawala Building,  
Horniman Circle, Fort, Mumbai-400 001



## Upsurge Investment & Finance Ltd.

### Declaration on compliance of the Company's Code of Conduct

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, all the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct as applicable to them for the year ended 31<sup>st</sup> March 2009.

For UPSURGE INVESTMENT & FINANCE LTD.

D.K.Goyal  
Managing Director

Mumbai, 28<sup>th</sup> August 2009

### 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 2009, as stipulated in clause 49 of the Listing Agreement of the said company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note on certification of Corporate Governance issued by the institute of Chartered Accountants of India, we state that, no investor grievance received during the year ended 31.03.2009 were pending for a period of one Month against the Company as per the records maintained by the Company.

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

For Bansal Bansal & Co.  
Chartered Accountants

Akbinder Kaur Saini  
Partner

Mumbai, 28<sup>th</sup> August, 2009





# Upsurge Investment & Finance Ltd.

## AUDITORS' REPORT

To,  
The Members of  
Upsurge Investment & Finance Ltd.

1. We have audited the attached Balance Sheet of "UPSURGE INVESTMENT & FINANCE LTD." as at 31<sup>st</sup> March 2009 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, We enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the company.
4. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account;
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 EXCEPT AS-15 RELATING TO ACCOUNTING FOR RETIREMENT BENEFITS IN THE FINANCIAL STATEMENTS OF EMPLOYERS.
  - e. On the basis of written representation received from the directors of the company and taken on record by the Board of Directors, none of the directors of the company is prime facie as at 31.03.2009 disqualified from being appointed as director of the company under section 274 (1) (g) of the Companies Act, 1956;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with notes thereon, give the information as required under the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i) In the case of Balance Sheet of the state of affairs of the company as at 31<sup>st</sup> March 2009.
    - ii) In the case of Profit & Loss Account, of the loss for the year ended on that date.
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Bansal, Bansal & Co.  
Chartered Accountants

Akbinder Kaur Saini  
Partner

Mumbai, 28<sup>th</sup> August, 2009



# Upsurge Investment & Finance Ltd.

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our report of even date on the accounts of "UPSURGE INVESTMENT & FINANCE LTD." For the year ended 31<sup>st</sup> March 2009.

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.  
(b) The Fixed Assets of the company have been physically verified by the Management during the year in accordance with the regular programmed which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were reportedly noticed on such verification.  
(c) In our opinion, the company has not disposed off substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. (a) The Stock in trade of shares and securities held in the physical form has been physically verified and those held in the dematerialized form have been verified from the relevant statement received from the depository, during the year, by the Management. In our opinion having regard to the nature of stocks, the frequency of the verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock of shares and securities followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification of stock of shares and securities as compared to book records.
3. During the year under reference the company has not granted or taken any loans, secured or unsecured to/from Companies, firms or other parties listed in the register maintained under Section 301 of the companies Act, 1956.
4. In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business for the purchase of inventory and fixed Assets and for the sale of goods (Shares & Securities) and services.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under Section 301 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of five lakhs Rupees in respect of any party during the year.
6. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public during the year as stated in the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 or the rules framed there under.
7. The Company has an internal audit system commensurate with the size of the company and nature of its business.
8. The maintenance of cost records under Section 209 of the Companies Act, 1956 is not applicable to the Company



## Upsurge Investment & Finance Ltd.

9. a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed material statutory dues including Income Tax and other statutory dues and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2009, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the company examined by us there are no disputed amounts in respect of various statutes which have not been deposited.
10. As per records of the Company, the accumulated losses of the Company are not more than fifty percent of its net worth as on 31<sup>st</sup> March 2009. The Company has incurred cash loss of Rs.4,932,594/- during the financial year however company has not incurred any cash loss in the immediately preceding financial year.
11. The Company has availed of overdraft facilities against the lien of its own fixed deposits with Banks. During the year under reference the company has not defaulted in repayment of its dues in this regard.
12. As explained to us the company during the year has not granted any loans against securities or pledge of shares, debentures or other securities.
13. The Company is not a chit fund or a nidhi/ mutual benefit fund or a society.
14. The company has maintained proper records of the transactions and contracts of its trading or dealing in securities and other investments and timely entries have been made therein. All securities have been held by the company in its own name except to the extent of exemption granted under Section 49 of the Companies Act, 1956.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from bank or financial institutions.
16. The Company has not raised any term loan during the year and hence clause 4(xvi) is not applicable to the Company.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March 2009, we report that the Company has not used funds raised on short-term basis for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, during the year.
19. During the year covered by our audit report the Company has not issued any debenture.
20. The Company has not raised any money by public issues during the year covered by our report.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Bansal, Bansal & Co.  
Chartered Accountants

Akbinder Kaur Saini  
Partner

Mumbai, 28<sup>th</sup> August, 2009



# Upsurge Investment & Finance Ltd.

## AUDITORS' REPORT

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

1. As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by the Reserve Bank of India in terms of Sub-Section (1A) of the Reserve Bank of India Act, 1934, we report that:
  - a. The company is engaged in the business of non-banking financial institution and it has obtained a Certificate of Registration (CoR) from the Bank.
  - b. The company is holding CoR issued by the bank and it is entitled to hold such CoR in terms of its asset/income pattern as on March 31, 2009.
  - c. The Board of Directors has passed a resolution for non-acceptance of any public deposits.
  - d. The company has not accepted any public deposits during the current Financial Year.
  - e. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For Bansal, Bansal & Co.  
Chartered Accountants

Akbinder Kaur Saini  
Partner

Mumbai, 28<sup>th</sup> August, 2009



# Upsurge Investment & Finance Ltd.

## Balance Sheet as at 31st March 2009

Particulars	Sch		As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>I Sources of Funds</b>				
Shareholders' funds:				
(a) Capital	A	91,524,000		91,524,000
(b) Reserves & Surplus	B	60,533,132	152,057,132	60,533,132
	<b>TOTAL</b>		<b>152,057,132</b>	<b>152,057,132</b>
<b>II Application of funds</b>				
(I) Fixed assets:	C			
(a) Gross Block		3,820,582		3,805,432
(b) Less: Depreciation		1,221,911		879,907
(c) Net Block			2,598,671	2,925,525
(2) Investments	D		14,430,650	9,353,120
(3) Current assets, loans & advances				
(a) Inventories	E	38,480,327		28,272,822
(b) Sundry debtors	F	309,501		1,455,930
(c) Cash & Bank Balances	G	37,542,889		38,737,631
(d) Loans & Advances	H	56,536,424		71,457,187
		132,869,141		139,923,570
Less:				
Current liabilities & provisions	I			
(a) Current Liabilities		3,854,537		883,692
(b) Provisions		153,000		99,000
		4,007,537		982,692
Net Current Assets			128,861,604	138,940,878
(4) Profit & Loss Account			6,166,207	837,609
	<b>TOTAL</b>		<b>152,057,132</b>	<b>152,057,132</b>
Significant Accounting Policies & Notes on Accounts	O			

As per our report of even date  
For Bansal, Bansal & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

Akbinder Kaur Saini  
Partner  
M.No. 121605

D.K.Goyal  
Managing Director

B.K.Goyal  
Director

Mumbai, 28<sup>th</sup> August, 2009



# Upsurge Investment & Finance Ltd.

## Profit & Loss account for the year ended 31<sup>st</sup> March 2009

Particulars	Sch	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>INCOME</b>			
Sales & Operational Income	J	32,406,713	104,313,536
Increase in Stock	K	10,207,505	2,168,759
Other Income		-	1,172
<b>TOTAL</b>		<b>42,614,218</b>	<b>106,483,467</b>
<b>EXPENDITURE</b>			
Purchase & Other Expenses	L	43,986,744	99,377,475
Payment to Employees	M	968,555	1,018,084
Administrative and other Expenses	N	2,591,513	4,846,022
Loss on Sale of fixed assets		-	68,096
Depreciation	C	342,004	234,634
<b>TOTAL</b>		<b>47,888,816</b>	<b>105,544,311</b>
Profit / (loss) before tax		(5,274,598)	939,156
Provision for taxation		-	22,000
Provision for FBT		54,000	77,000
Profit / (loss) after Tax		(5,328,598)	840,156
Excess / (short) provision of income tax/ FBT for earlier years		-	(10,361)
Balance brought forward from previous year		(837,609)	(1,499,404)
Transfer to Statutory Reserve		-	168,000
Balance carried to balance sheet		(6,166,207)	(837,609)
Earning per equity share of Rs. 10/- each (in Rs.)		(0.58)	0.27
Significant Accounting Policies & Notes on Accounts	O		
As per our report of even date For Bansal, Bansal & Co. Chartered Accountants		For and on behalf of the Board of Directors	
Akbinder Kaur Saini Partner M.No. 121605		D.K.Goyal Managing Director	B.K.Goyal Director
Mumbai, 28 <sup>th</sup> August, 2009			



# Upsurge Investment & Finance Ltd.

Schedules forming part of the balance sheet as at 31<sup>st</sup> March, 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>Schedule: 'A' Capital</b>		
Authorised: 92,50,000 Equity shares of Rs. 10/- each (Previous year 92,50,000 Equity shares of Rs. 10/- each)	<u>92,50,000</u>	<u>92,50,000</u>
Issued, Subscribed & Paid up : 91,52,400 Equity Shares of Rs. 10/- each Fully paid Up (Previous year 91,52,400 Equity Shares Rs. 10/- each)	<u>91,524,000</u>	<u>91,524,000</u>
<b>Schedule: 'B' Reserves &amp; Surplus</b>		
General Reserve	365,132	365,132
Statutory Reserve	168,000	168,000
Share Premium	<u>60,000,000</u>	<u>60,000,000</u>
	<u>60,533,132</u>	<u>60,533,132</u>

**Schedule : 'C' Fixed Assets**

Assets	Gross Block			Depreciation				Net Block		
	As at 01.04.08	Addition during the year	Deletion During the year	As at 31.03.09	Upto 01.04.08	For the year	Deletion during the year	As at 31.03.09	As at 31.03.09	As at 31.03.08
Land	567,040	-	-	567,040	-	-	-	-	567,040	567,040
Furniture & Fixtures	613,100	-	-	613,100	473,700	38,808	-	512,508	100,592	139,400
Office Equipment	103,971	15,150	-	119,121	52,378	5,500	-	57,878	61,243	51,593
Computers	975,569	-	-	975,569	177,565	158,140	-	335,705	639,864	798,004
Air Conditioners	153,500	-	-	153,500	80,195	7,292	-	87,487	66,013	73,305
Motor Car/ Scooter	1,392,252	-	-	1,392,252	96,069	132,264	-	228,333	1,163,919	1,296,183
<b>Total</b>	<b>3,805,432</b>	<b>15,150</b>	<b>-</b>	<b>3,820,582</b>	<b>879,907</b>	<b>342,004</b>	<b>-</b>	<b>1,221,911</b>	<b>2,598,671</b>	<b>2,925,525</b>
Previous Year	2,259,019	2,211,579	665,166	3,805,432	1,098,343	234,634	453,070	879,907	2,925,525	1,160,676







## Upsurge Investment & Finance Ltd.

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>Schedule: 'H' Loans &amp; Advances</b>		
<b>I. Unsecured (Considered good)</b>		
a) Loans and advances (recoverable in cash or in kind or for value to be received)	50,809,156	65,448,417
b) Income tax payment less provisions	2,327,268	2,608,770
c) Deposits		
Other Deposits	1,000,000	1,000,000
<b>2. Unsecured (Considered doubtful)</b>		
Loans & Advances	2,400,000	2,400,000
	<b>56,536,424</b>	<b>71,457,187</b>
 <b>Schedule: 'T' Current Liabilities &amp; Provisions</b>		
<b>Liabilities</b>		
<b>Sundry Creditors</b>		
Due to Micro and small enterprises	-	
Other than due to micro and small enterprises	108,454	93,710
Other Liabilities	3,746,083	789,982
	<b>3,854,537</b>	<b>883,692</b>
 <b>Provisions</b>		
For Income Tax & FBT	153,000	99,000
	<b>153,000</b>	<b>99,000</b>

**Schedules forming part of profit & loss account for the year ended 31<sup>st</sup> March 2009**

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>Schedule: 'J' Sales &amp; Operating Income</b>		
Sale of Shares & Securities	24,730,021	96,476,573
Interest income (net)	7,186,338	6,796,067
(TDS Rs. 7,62,851/- Previous year Rs. 10,47,631/-)		
Dividend Income (from non trade investment)	356,801	584,089
Profit from trading activities	77,077	231,189
Profit / (loss) from Stock futures	56,476	225,618
	<b>32,406,713</b>	<b>104,313,536</b>



# Upsurge Investment & Finance Ltd.

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
<b>Schedule: 'K' Increase / (decrease) in stock</b>		
Closing Stock	38,480,327	28,272,822
Less: Opening Stock	<u>28,272,822</u>	<u>26,104,063</u>
	<b>10,207,505</b>	<b>2,168,759</b>
<b>Schedule: 'L' Purchase &amp; Other expenses</b>		
Purchase of Shares & Securities	43,867,972	99,277,913
Demat charges	5,593	12,985
Transaction and service charges	27,866	86,577
Securities Transaction Tax	85,313	-
	<u>43,986,744</u>	<u>99,377,475</u>
<b>Schedule: 'M' Payment to employees</b>		
Salary	798,134	845,225
Staff Welfare	170,421	172,859
	<u>968,555</u>	<u>1,018,084</u>
<b>Schedule: 'N' Administrative &amp; other expenses</b>		
Electricity	98,465	106,214
Office rent	240,000	240,000
Repairs & Maintenance-Building		
Repairs & Maintenance-Others	<u>51,770</u>	119,801
Directors Remuneration	420,000	300,000
Insurance Charges	11,791	7,641
Legal & professional charges	323,960	224,478
Miscellaneous Expenses	37,842	83,240
General Office Expenses	103,633	81,781
Payment to Auditors	82,725	89,832
Interest to others	68,918	-
Interest & Finance Charges		1,740,570
Traveling & Conveyance	356,703	884,573
Postage , telegram, telephone	154,703	176,307
Printing & Stationary /Xerox	167,589	192,869
Listing fees	45,000	15,000
Transfer agency charges	16,948	16,499
Publication Expenses	9,282	8,779
Motor car expenses	234,873	361,082
Business Promotion	61,736	68,019
Bad Debts	106,005	129,337
	<u>2,591,513</u>	<u>4,846,022</u>



# Upsurge Investment & Finance Ltd.

## SCHEDULE: 'O' SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### A. Significant Accounting Policies:

#### 1. Basis of Preparation of Financial Statements:

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

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

#### 2. Accounting of Income/Expenditure:

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

#### 3. Fixed Assets & Depreciation:

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

Depreciation has been provided on Straight line Method on prorate basis at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

#### 5. Investments:

Investments are stated at cost. No Provision has been made for diminution in the value of Investments as all the investments are long term and in the board's opinion, the decline is temporary.

#### 6. Stock in Trade:

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

#### 7. Taxes on Income:

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

#### 8. Loans and Advances

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

### B Notes on Accounts

1. For the purpose of calculating market value of closing stock of shares where quotations are not available on the last day of the year, the latest available quotations are taken as the market value. And in case of delisted shares the same are valued at Nil. Stock in trade has been verified, valued and certified by the management.



## Upsurge Investment & Finance Ltd.

2. Interest receivable/payable on excess/short payment of income tax as well as other taxes/duties is accounted for on completion of assessment. Similarly any income/expenditure resulting from any judicial pronouncement is accounted for at the time of such pronouncement.
3. Purchases/sale of shares and securities are accounted for inclusive of brokerage but exclusive of turnover charges, service tax and stamp duty which have been debited to other charges on securities.
4. Basic and Diluted Earning Per Share:

		31 <sup>st</sup> March 2009	31 <sup>st</sup> March 2008
a)	Profit/(loss) after tax as per P & L (Rs)	(5,328,598)	840,156
b)	Weighted average number of Equity Shares (Nos.)	9152400	8,626,175
c)	Earning Per Share (Rs.)	(0.58)	0.10

5. Segment Reporting:

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

6. Deferred Taxation:

The company has carried forward Losses under taxes Laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax assets has not been recognized by way of prudence in accordance with Accounting Standard (AS22) "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India.

7. Related party Disclosure:

List of related parties with whom transactions have taken place & relationship:

(i) Particulars of Associates Companies

Name of Related Party

Yash Securities Pvt. Ltd.

For Full Year

(ii) Key Management Personnel

Name of Related Party

Shri D.K. Goyal (Director)

For Full Year

(iii) Transactions during the year with related parties.

(Rs. In Lakhs)

Nature of Transaction	31 <sup>st</sup> March 2009		31 <sup>st</sup> March 2008	
	Associate Companies	Key Management Personnel	Associates Companies	Key Management Personnel
<b>Expenditure</b>				
Rent paid	2.40	-	2.40	-
Salary	-	4.20	-	3.00

8. The policy of provisioning against Non-Performing Loans and Advances has been decided by the management considering prudential norms issued by the Reserve Bank of India for Non Banking Financial Companies except that the amount recovered subsequent to the Balance Sheet date have not been considered for provisioning.



## Upsurge Investment & Finance Ltd.

9. There are no amounts due to small-scale industries in terms of "The Micro, Small & Medium Enterprises Development Act, 2006."
10. Interest income is shown net of interest paid to bank Rs.650, 818/- (Previous Year Rs. 510,085/-).
11. Balances of some of the sundry debtors, loans & advances and sundry creditors are subject to confirmation and resultant reconciliation if any.
12. No provision for Loans and advances considered doubtful amounting to Rs.24, 00,000/- (Previous Year Rs.24, 00,000/-) has been made in the books of accounts.
13. In the opinion of the management the Current Assets, Loans & Advances have not less than the value stated in the Balance Sheet if realized in the ordinary course of business unless otherwise stated.
14. Directors Remuneration of Rs. 420,000/- P.A. (Previous Year Rs.300, 000/- P.A.) paid to Managing director include.

Particulars	31 <sup>st</sup> March 2009 (Rs)	31 <sup>st</sup> March 2008 (Rs)
Basic Remuneration	232,200	160,200
Allowances	187,800	139,800
Perquisites	-	-
Seating Fess	-	-
Commission	-	-
<b>Total</b>	<b>420,000</b>	<b>300,000</b>

15. Payment to Auditors includes:

		31 <sup>st</sup> March 2009 (Rs.)	31 <sup>st</sup> March 2008 (Rs.)
i)	For Audit Fees	50,000	50,000
ii)	For Tax Audit	25,000	25,000
iii)	For Other matters (including service Tax)	7,725	14,832
	<b>Total</b>	<b>82,725</b>	<b>89,832</b>

16. Additional information pursuant to part II of schedule VI to the Companies Act, 1956 :-

Details of Trading Activity in shares:-

		No. of Shares		Value	
		31 <sup>st</sup> March 2009 (Qty)	31 <sup>st</sup> March 2008 (Qty)	31 <sup>st</sup> March 2009 (Rs.)	31 <sup>st</sup> March 2008 (Rs.)
a)	Opening Stock	16,05,749	16,66,589	2,82,72,822	2,61,04,063
b)	Purchases	17,86,645	35,57,016	44,711,077	9,92,77,913
c)	Sales	8,96,938	37,71,905	25,566,427	9,64,76,573
d)	Closing Stock	24,95,456	16,05,749	38,480,327	2,82,72,822

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



# Upsurge Investment & Finance Ltd.

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

## I. REGISTRATION DETAILS

Registration No.  State Code   
Balance Sheet Date     
Date Month Year

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

Public Issue  Right Issue   
Bonus Issue  Private Placement

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

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

## APPLICATION OF FUNDS

Net Fixed Assets  Investments   
Net Current Assets  Misc Expenditure   
Accumulated losses

## IV PERFORMANCE OF THE COMPANY (Rs. In Thousands)

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

## V GENERIC NAMES OF PRINCIPAL PRODUCTS/ SERVICES OF COMPANY

(as per Monetary Terms)   
Item Code No.   
Product Description

Signature to Schedule A to O

As per our report of even date

For Bansal Bansal & Co.  
Chartered Accountants

Akbinder kaur saini  
Partner  
M.No. 121605

For and on behalf of the Board of Directors.

D.K.Goyal  
Managing Director

B.K.Goyal  
Director

Mumbai, 28<sup>th</sup> August 2009

## Upsurge Investment & Finance Ltd.

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

Liability Side		Current Year		Previous Year	
S. No.	Particulars	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1)	Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid	-	-	-	-
	(a) Debenture: Secured	-	-	-	-
	(b) Unsecured (Other than falling within the meaning of public deposit)	-	-	-	-
	(C) Differed Credit	-	-	-	-
	(d) Term Loans	-	-	-	-
	(e) Inter-Corporate Loans and Borrowing	-	-	-	-
	(f) Commercial Paper	-	-	-	-
	(g) Public Deposit	-	-	-	-
(2)	(h) Other Loans	-	-	-	-
	Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid)	-	-	-	-
	(i) in the form of Unsecured Debentures	-	-	-	-
	(j) In the Form of partly accrued debentures	-	-	-	-
	(k) Other public deposits	-	-	-	-

Assets Side		Current Year	Previous Year
S. No.	Particulars	Amount Outstanding	Amount Outstanding
(3)	Break up of Loans and advances including bills receivable (other than those included in (4) below)	-	-
	(a) secured	-	-
	(b) unsecured	565.36	714.57
(4)	Break up of Leased Assets and Stocks on hire and Hypothecation loans counting towards EL/HP activities	-	-
	I Lease Assets including lease rentals under sundry debtors	-	-
	(a) Financial Lease	-	-
	(b) Operative Lease	-	-
	II Stock on hire including hire charges under sundry debtors	-	-
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-

## Upsurge Investment & Finance Ltd.

	III Hypothecation Loans counting towards EL/HP activities		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
(5)	Break up of Investment: (Net of Provision for diminution)		
	Current Investment		
	1. Quoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debenture and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	-	-
	(b) Preference	-	-
	ii. Debenture and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	Long Term Investment		
	1. Quoted		
	i. Shares (a) Equity	139.24	88.53
	(b) Preference	-	-
	ii. Debenture and Bonds	0.07	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	2. Unquoted		
	i. Shares (a) Equity	5.00	5.00
	(b) Preference	-	-
	ii. Debenture and Bonds	-	-
	iii. Units of Mutual Funds	-	-
	iv. Government Securities	-	-
	V. Others	-	-
	<b>Total</b>	<b>144.31</b>	<b>93.53</b>

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

Category	Current Year			Previous Year		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1) Related Parties						
a) Subsidiaries	-	-	-	-	-	-
b) Companies in the same group	-	-	-	-	-	-
c) Other related parties	-	-	-	-	-	-
2) Other than related parties	-	565.36	565.36	-	714.57	714.57
<b>Total</b>	-	<b>565.36</b>	<b>565.36</b>	-	<b>714.57</b>	<b>714.57</b>





## Upsurge Investment & Finance Ltd.

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

Category	Current Year		Previous Year	
	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)	Market Value/ Break-up or Fair Value or NAV	Book Value (Net of Provision)
1) Related Parties				
a) Subsidiaries	.	.	.	.
b) Companies in the same group	.	.	.	.
c) other related parties	.	.	.	.
2) Other than related parties	69.89	144.31	70.59	93.53
<b>Total</b>	<b>69.89</b>	<b>144.31</b>	<b>70.59</b>	<b>93.53</b>

**(8) Other Information**

	Current Year	Previous Year
I) Gross Non-Performing Assets		
a) Related Parties	.	.
b) Other than Related parties	24.00	24.00
II) Net Non-Performing Assets		
a) Related Parties	.	.
b) Other than Related parties	24.00	24.00
III) Assets acquired in satisfaction of debt	.	.

**For and on Behalf of the Board of Director**

**D.K. Goyal**  
**Managing Director**

**B.K. Goyal**  
**Director**

Mumbai, 28<sup>th</sup> August, 2009



# Upsurge Investment & Finance Ltd.

Cash flow statement for the year ended 31<sup>st</sup> March, 2009

(Amount in Rs)

	Year ended 31 <sup>st</sup> March, 09	Year ended 31 <sup>st</sup> March, 08
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	(5,274,598)	939,156
Adjustment for		
Depreciation	342,004	234,634
Loss on Sale of Fixed Assets	-	68,096
<b>Operating Cash Profit before working capital changes</b>	<b>(4,932,594)</b>	<b>1,241,886</b>
Adjustments		
1. Trade & other receivable	16,067,192	10,391,655
2. Inventories	(10,207,505)	(2,168,759)
3 Trade Payable	3,024,845	669,894
<b>Cash Generated from operation</b>	<b>3,951,938</b>	<b>10,134,676</b>
1. Excess/short Provision for Income tax	-	(10,361)
2. Provision for Taxation	(54,000)	(99,000)
<b>Cash flow before extraordinary items</b>	<b>3,897,938</b>	<b>10,025,315</b>
<b>Net cash From operating activities</b>	<b>(A) 3,897,938</b>	<b>10,025,315</b>
<b><u>B CASH FLOW FROM INVESTING ACTIVITIES:</u></b>		
Purchase of Fixed assets	(15,150)	(2,211,579)
Sale of Fixed Assets	-	144,000
Purchase of Investments	(5,077,530)	(4,903,120)
<b>Net cash used in Investing Activities</b>	<b>(B) (5,092,680)</b>	<b>(6,970,699)</b>
<b><u>C CASH FLOW FROM FINANCING ACTIVITIES:</u></b>		
Proceeds from Share capital	-	6,888,000
Proceeds towards Share premium	-	10,332,000
<b>Net Cash from Financing Activities</b>	<b>(C) -</b>	<b>17,220,000</b>
<b>Net Increase in cash and cash equivalents (A+B+C)</b>	<b>(1,194,742)</b>	<b>20,274,616</b>
Cash and cash equivalents as at (Opening Balance)	38,737,630	18,463,014
Cash and cash equivalents as at (Closing Balance)	37,542,888	38,737,630
<b>Changes in Cash and Cash Equivalents</b>	<b>(1,194,742)</b>	<b>20,274,616</b>

**Note:**

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

For and on behalf of the Board of Directors

Mumbai, 28<sup>th</sup> August 2009

D.K.Goyal  
Managing Director

### AUDITORS CERTIFICATE

We have examined the attached statement of Upsurge Investment & Finance Ltd. for the year ended 31<sup>st</sup> March, 2009. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement clause 32 with the stock exchange and is based on an agreement with Profit & Loss Account and Balance Sheet of the Company covered by our report dated 28<sup>th</sup> August, 2009, to the members of the Company.

As per our report of even date  
For Bansal Bansal & Co.  
Chartered Accountants

Mumbai, 28<sup>th</sup> August 2009

Akbindar Kaur Saini  
Partner



# **Upsurge Investment & Finance Ltd.**

Regd. Office: Office No. 9, 3<sup>rd</sup> floor, 7/10, Botawala Building, Horniman Circle, Fort, Mumbai- 400 001

## **ATTENDANCE SLIP**

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

Name & Address of the Shareholder:

FOLIO NO. ....

DP ID .....

CLIENT ID.....

SHARES HELD.....

I hereby record my presence at the FIFTEENTH Annual General Meeting at Kailash Parbat, 7A/8A, A Wing, Crystal Plaza, New Link Road, Andheri (West) Mumbai – 400 053 on Tuesday 29<sup>th</sup> September 2009 at 10.00 A.M.

Signature of the Member or Proxy

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



# **Upsurge Investment & Finance Ltd.**

Regd. Office: Office No. 9, 3<sup>rd</sup> floor, 7/10, Botawala Building, Horniman Circle, Fort, Mumbai- 400 001

## **PROXY**

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

As my/our proxy to vote for me/us our behalf at the FIFTEENTH Annual General Meeting of the Company to be held at 10.00 a.m. and at any adjournment thereof.

Signed this .....day of .....2009.

FOLIO NO.....

DP ID .....



### **Notes:**

1. The proxy to be valid should be deposited at the Registered Office of the Company not later then 10.00 a.m. on 26<sup>th</sup> September 2009
2. The Proxy should be executed on Rs. 1 Revenue Stamp

## **BOOK POST**

**If undelivered, please return to:**



**UPSURGE INVESTMENT & FINANCE LIMITED**

**Regd. Office: Office No. 9, 3<sup>rd</sup> floor, 7/10,**

**Botawala Building, Horniman Circle**

**Fort, Mumbai- 400 001**