

14th

**ANNUAL REPORT AND ACCOUNTS
2013 - 2014**



UPSE SECURITIES LIMITED

(WHOLLY OWNED SUBSIDIARY OF U. P. STOCK EXCHANGE LTD.)

BOARD OF DIRECTORS

Dr. Mahesh Prasad Gupta	-	Chairman & Public Representative Director
Shri Alok Tulsyan	-	CEO & Designated Director
Shri Bharat Kumar Nadhani	-	UPSE Nominee Director
Shri Narendra Kapoor	-	Public Representative Director
Shri Madan Lal Jain	-	Public Representative Director
Shri Rakesh Chandra Vaish	-	Trading Member Director
Shri Atul Kumar Agarwal	-	Designated Director

STATUTORY AUDITORS**M/s. Versha & Associates**

(Chartered Accountants)

BANKER

HDFC Bank Limited
YES Bank Limited

REGISTERED OFFICE**"PADAM TOWERS"**

14/113, Civil Lines, Kanpur – 208 001
Uttar Pradesh

CIN : U67120UP2000PLC025330

Notice

To,
The Members

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of UPSE Securities Limited will be held on Friday, the 19th September, 2014 at 4:00 P.M. at the Registered Office of the Company at 'Padam Towers', 14/113, Civil Lines, Kanpur - 208 001 to transact the following business :-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Bharat Kumar Nadhani, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT Shri Rakesh Chandra Vaish, who was appointed as an Additional Director of the Company pursuant to provisions of Section 161 of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board

(Alok Tulsyan)
Chief Executive Officer

Place : Kanpur
Date : 23.08.2014

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.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

2. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No.4

Shri Rakesh Chandra Vaish was appointed as Additional Director w.e.f. 23.01.2014 by the Board of Directors of the Company in capacity of trading member of U.P.Stock Exchange Ltd, in terms of Section 161 of the Companies Act, 2013 and he holds the office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of the Companies Act 2013 from a member proposing the candidature of Shri Rakesh Chandra Vaish for the office of Director. His continuance as Director on the Board was considered in the best interests of the Company.

The Board recommends the resolution for your approval.

None of the Directors of the Company except Shri Rakesh Chandra Vaish, himself may be considered as concerned or interested in the resolution.

By Order of the Board

(Alok Tulsyan)

Chief Executive Officer

Place: Kanpur

Date : 23.08.2014

Directors' Report

To the Members of UPSE Securities Ltd.

Your Directors present their Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2014.

Financial Results

	₹ in Lacs	₹ in Lacs
	2013-2014	2012-2013
(a) Total Revenue	63.41	66.91
(b) Extra-ordinary item (sale of BSE Shares)	-	101.28
Gross Income (a + b)	63.41	168.19
Operational Loss (after depreciation)	20.36	21.08
Profit before Depreciation and Taxation	(5.01)	80.20
Less: Depreciation	3.18	4.32
Profit Before Tax	(8.19)	75.87
Less : Provision of Taxation	-	13.49
Profit after provision of taxation	(8.19)	62.38
Add : Deferred tax	(7.67)	(7.94)
Profit/(Loss) After Tax/Appropriation	(15.86)	54.44
Surplus Brought forward	138.20	83.76
Surplus Carried to Balance Sheet	122.34	138.20

OPERATIONAL REVIEW

During the year under review, total value of shares traded by sub-brokers through the Company at BSE (Cash segment) was Rs.1,695.98 crores (Previous year Rs. 1,570.50 crores), at NSE (Capital Market Segment) was Rs.417.93 crores (Previous Year Rs. 299.27 crores) and at NSE (F&O Segment) was Rs.758.36 crores (Previous Year Rs.1,667.47 crores). Thus, the total turnover of the Company in all the aforesaid three segments was Rs.2,872.27 crores (Previous Year Rs. 3,537.24 crores) against which the Company has earned net brokerage of Rs.24,42,654.00 (Previous year Rs.26,94,611.00) and the total number of Sub-brokers active during this period was 65 (Previous year 64). The Sub-brokers have been doing trading within the Exchange premises as well as outside the Exchange premises in Kanpur and other cities. The Clients of the Company are also availing internet trading facility at their desired locations.

The Company, after obtaining CDSL and SEBI registration, has started DP operations, assigned / transferred from U.P. Stock Exchange Limited w.e.f. 19.10.2013.

PUBLIC DEPOSITS

The Company has not accepted any deposit from the public or from employees during the year under review.

DIRECTORS

Three SEBI approved Public Representative Directors, namely, S/Shri Madan Lal Jain, Narendra Kapoor and Dr. Mahesh Prasad Gupta, had been nominated by the U.P. Stock Exchange Limited and were appointed by the Company on its Board on 24.08.2011 and re-appointed on 28.08.2012 and 10.08.2013, whose third (last) term (year), as per Article 79.B(iii) of UPSE Securities Ltd. shall expire on 23.08.2014. Nomination of new Public Representative Directors is under process.

In terms of the provisions of Section 152 of the Companies Act, 2013 read with Articles of Association of the Company, Shri Bharat Kumar Nadhani, Director, retires from the Board by rotation and is eligible for re-appointment.

CORPORATE GOVERNANCE

The Company follows Corporate Governance practices. Shri K D Gupta, Chairman of UPSE being Permanent Invitee in Board and Committee Meetings, Directors and the staff of the company are committed to serve the intermediaries, investors and the general public with the highest level of ethical conduct.

PERSONNEL

Your Directors place on record their heartiest appreciation for the sincere, devoted and dedicated services rendered by staff of the Company at all levels.

AUDITORS

The Auditors of the Company M/s. Versha & Associates, Chartered Accountants, Kanpur retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a Certificate to the effect that the proposed re-appointment, if made, will be in accordance with Section 139 read with section 141 of the Companies Act, 2013.

COMPLIANCE CERTIFICATE:

In terms of the provisions of Section 383A of the Companies Act 1956, Compliance Certificate issued by M/s. S.K. Gupta & Co., Company Secretaries, for the financial year ended 31st March, 2014 is annexed hereto.

STATUTORY INFORMATION**PARTICULARS OF EMPLOYEES:**

None of the employees of the Company was in receipt of remuneration in excess of limits prescribed under Section 217(2A) of the Companies Act, 1956, hence particulars as required under the Companies (Particulars of Employees) Rules, 1975 are not given.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

As the Company is not engaged in any manufacturing activity, details relating to Conservation of Energy and Technology Absorption as required under section 217(1)(e) of the Companies Act, 1956 being inapplicable, are not given.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There have been no earnings and expenditure in Foreign Exchange during the year.

DIRECTORS RESPONSIBILITY STATEMENT:

In terms of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company state in respect of the year ended 31st March, 2014 :-

- i) that in preparation of Annual Accounts, the applicable Accounting Standards have been followed;
- ii) that the Directors have selected such Accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year ;
- iii) 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 ;
- iv) that the Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Officials of UPSE, SEBI, BSE, NSE, MCX Stock Exchange Ltd., Local Administration and Banks for their co-operation.

Your Directors also record their deep appreciation towards Sub-Brokers for their valued, active and continued co-operation.

For and on behalf of the Board of Directors

Place : KANPUR
Dated: 23.08.2014

(Dr. M P Gupta)
Chairman

Compliance Certificate

CIN: U67120UP2000PLC025330
Nominal Capital: Rs. 5,00,00,000/-

To,
The Members of
UPSE Securities Limited
"Padam Towers", 14/113, Civil Lines,
KANPUR - 208001 (U.P.)

We have examined the registers, records, books and papers of UPSE Securities Limited ("the Company") as required to be maintained under the Companies Act, 1956 ("the Act") and the Rules made thereunder and also the provisions contained in Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. In our opinion and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents and to the best of our knowledge and belief, We certify that in respect of the aforesaid financial year :-

1. The Company has kept and maintained the Registers as stated in Annexure 'A' to this certificate, as per the provisions of the Companies Act, 1956 and the Rules made thereunder and entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this Certificate with the Registrar of Companies, Uttar Pradesh, Regional Director, Central Government and other authorities under the Companies Act, 1956 and the Rules made thereunder.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 4 (Four) times respectively on 18th June, 2013, 10th August, 2013, 19th October, 2013 and 8th March, 2014 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose including a circular resolution passed during the financial year under review.
5. The Company has not closed its Register of Members during the financial year under review. As the Company has not issued any Debentures, there is no question of closure of Register of Debenture holders.
6. The Annual General Meeting for the Financial year ended on 31st March, 2013 was held on 20th September, 2013 after giving due notice to the Members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extraordinary General Meeting was held during the Financial Year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Companies Act, 1956.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Companies Act, 1956.
10. The Company has made necessary entries in the register maintained under Section 301(3) of the Companies Act, 1956.
11. As there were no instances falling within the purview of Section 314 of the Companies Act, 1956, the Company was not required to obtain any approval from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate Share Certificate during the financial year.

13. The Company has:
- (i) delivered all the certificates on lodgement thereof for transfer of securities. However, there were no transmission and allotment of securities during the year under review.
 - (ii) not declared any dividend / interim dividend during the financial year under review.
 - (iii) no unpaid dividend, application money due for refund, matured deposits, matured debentures and interest accrued thereon remaining unclaimed or unpaid requiring transfer to Investor Education and Protection Fund.
 - (iv) duly complied with the requirements of Section 217 of the Companies Act, 1956.
14. The Board of Directors of the Company is duly constituted and the appointment of Additional Director has been made in compliance with the provisions of the Act.
15. The re-appointment of Managing Director (CEO) has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act.
16. The Company has not appointed any Sole-selling Agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities prescribed under various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms / Companies to the Board of Directors pursuant to provisions of the Companies Act, 1956 and the Rules made thereunder.
19. The Company has not issued any Shares, Debentures or other Securities during the financial year.
20. The Company has not bought back any Shares during the financial year.
21. As the Company has not issued any Redeemable Preference Shares / Debentures, there has been no redemption of Preference Shares / Debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, Rights Shares and Bonus Shares pending registration of transfer of Shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Companies Act, 1956 during the financial year.
24. The Company has not borrowed any amount from Directors, Members, Public, Financial Institutions, Banks and others during the Financial Year ending 31st March, 2014. Accordingly, the provisions of Section 293(1) (d) of the Companies Act, 1956 are not attracted.
25. The Company continued to hold investments in the securities of Bodies Corporate during the year in compliance with the provisions of Section 372 A of the Companies Act, 1956. However, it has not given any loans and advances, guarantee or provided security to other bodies corporate during the year under review.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to Objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.

29. The Company has not altered the provisions of the Memorandum with respect to Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under review.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines and penalties or any other punishment was imposed on the Company during the financial year for offences under the Companies Act, 1956.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both Employees' and Employer's Contribution to Provident Fund with prescribed Authorities pursuant to Section 418 of the Act.

For S.K.GUPTA & CO.
Company Secretaries

Place : Kanpur
Date : 18th August, 2014

(DIVYA SAXENA)
Executive Partner
C.P. No. 5352

Annexure 'A'

Registers as maintained by the Company

1. Register of Members u/s 150 of the Companies Act, 1956.
2. Register of Directors' Shareholding u/s 307 of the Companies Act, 1956.
3. Register of Directors, Managing Director, Manager and Secretary u/s 303 of the Companies Act, 1956.
4. Register of particulars of Contracts, Companies and Firms in which Directors are interested u/s 301 of the Companies Act, 1956.
5. Minutes of the proceedings of the Meetings of the Board of Directors and General Meetings u/s 193 of the Companies Act, 1956.

Annexure 'B'

Forms and Returns as filed by the Company, during the financial year ended 31st March, 2014

- **With Registrar of Companies, Uttar Pradesh**

Sl. No.	Forms	Purpose	Date of Actual filing	Whether filed timely or not Yes / No
1.	Form No. 20B (Annual Return)	U/s 159 of the Companies Act, 1956 dt. 20.09.2013	29.10.2013	Yes
2.	Form No. 66 (Compliance Certificate)	U/s 383A of the Companies Act, 1956 dt. 10.08.2013.	24.09.2013	Yes
3.	Form No. 23AC & ACA (Annual Accounts)	U/s 220 of the Companies Act, 1956 for the year ended 31.03.2013.	25.09.2013	Yes
4.	Form No. 32	U/s 303 of the Companies Act, 1956 dt. 23.01.2014 for cessation of Shri Narain Prasad Chaudhry.	12.02.2014	Yes
5.	Form No. 25C	U/s 269 of the Companies Act, 1956 Dt 08.03.2014 for re-appointment of Shri Alok Tulsyan as the Managing Director designated as Chief Executive Officer (CEO) of the Company.	14.03.2014	Yes
6.	Form No. 22B	Declaration for beneficial interest in Shares under Section 187C of the Companies Act, 1956 dt. 08.03.2014.	25.03.2014	Yes

- **With Regional Director**

Nil

- **With Central Government or Other Authorities**

Nil

For S.K.GUPTA & CO.
Company Secretaries

Place: Kanpur

Date : 18th August, 2014

(DIVYA SAXENA)
Executive Partner
C.P. No. 5352

Independent Auditor's Report

TO
THE MEMBERS OF
UPSE SECURITIES LIMITED
KANPUR.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of M/S UPSE SECURITIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
3. In our opinion, proper books of accounts and records as specified in Rule 15 of the Securities Contracts (Regulation) Rules, 1957 have been kept so far as appears from our examination of such books.
4. The stock broker has complied with the requirement of the stock exchanges so far as they relate to maintenance of accounts and was regular in submitting the required accounting information to the stock exchanges.

For Versha & Associates

Chartered Accountants
(Registration No. 008552C)

Place : Kanpur
Date : 23.08.2014

(Versha Verma)
Proprietor
M. No. 077818

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT.

(Referred to in Paragraph 1 of under the heading of "Report On Other Legal And Regulatory Requirements" of our Report of Even Date to the Members of UPSE Securities Ltd. on the accounts of the company for the year ended 31st March, 2014)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) The fixed assets have been physically verified by the Management during the year. According to the information given to us, no material discrepancies were noticed.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern status of the Company.
2. (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, and payment for expenses. We have not noted any continuing failure to correct major weakness in the internal controls during the course of the audit.
5. To the best of our knowledge and according to the information and explanations given to us, there are no contracts or arrangements particulars of which needed to be entered in the Register maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India, the provisions of Sections 58A and 58AA of the Companies Act, 1956 and rules framed there- under are not applicable.
7. As per information & explanation given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. According to the information and explanations given to us, Central Government has not prescribed the maintaining of cost records prescribed under section 209(1)(d) in respect of services carried out by the company
9. (a) According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Customs Duty, Investor Education and Protection Fund, Wealth Tax, Securities Transaction Tax and any other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed dues in respect of Income Tax, Sales Tax, Customs Duty, Wealth Tax, Service Tax and Cess were outstanding as at 31-3-2014 for a period of more than six months from the date they become payable.

- (c) According to the information and explanations given to us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and Cess that have not been deposited with the appropriate authorities on account of any dispute.
10. The Company has accumulated loss and has incurred cash loss during the financial year covered by our audit .
 11. The Company has neither taken any loan from a financial institution and a bank nor issued any debentures. Accordingly, clause 4(xi) is not applicable to the company.
 12. The Company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) is not applicable to the company.
 13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
 14. According to information & explanation given to us, the company is trading in Shares, Debentures & other securities. Proper records & timely entries have been made in this regard and further investments specified are held by the company in its own name. However no proprietary trading is done by the company on its own behalf and all trading is done by the sub-brokers of the company.
 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) is not applicable to the company.
 16. Based on our audit procedures & on the information given by the management, we report that the Company has not obtained any term loan. Accordingly, 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, we report that no funds raised on short term basis have been used for long term investment by the company.
 18. Based on the audit procedure and the information and explanation given to us by the management, we report that the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
 19. The Company has not issued any debentures. Accordingly, clause 4(xix) is not applicable to the company.
 20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) is not applicable to the Company.
 21. Based on the audit procedure performed and the information and explanations given to us, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For **Versha & Associates**

Chartered Accountants
(Registration No. 008552C)

Place : Kanpur
Date : 23.08.2014

(Versha Verma)
Proprietor
M. No. 077818

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	Note No.	As at 31.03.2014 AMOUNT (₹)		As at 31.03.2013 AMOUNT (₹)	
I. EQUITY AND LIABILITIES					
1. Shareholders' Funds					
a. Share Capital	B-1	2,58,00,000		2,58,00,000	
b. Reserves and Surplus	B-2	2,81,54,468	5,39,54,468	2,97,40,969	5,55,40,969
2. Current Liabilities					
a. Trade Payables	B-3	8,54,18,996		10,82,01,723	
b. Other Current Liabilities	B-4	63,90,180		57,72,269	
c. Short-term Provisions	B-5	1,76,804	9,19,85,980	14,98,991	11,54,72,983
Total			14,59,40,448		17,10,13,952
II. ASSETS					
1. Non-Current Assets					
a. Fixed Assets	B-6				
(i) Tangible Assets		3,10,469		4,17,605	
(ii) Intangible Assets		2,49,054		4,15,090	
b. Non-Current Investments	B-7	60,60,251		60,60,251	
c. Deferred Tax Assets (Net)	B-8	18,23,168		10,56,033	
d. Long-term Loans and Advances	B-9	4,42,85,419	5,27,28,361	5,38,79,167	6,18,28,146
2. Current Assets					
a. Trade Receivables	B-10	62,06,367		58,92,507	
b. Cash and Cash Equivalents	B-11	8,40,61,550		9,88,20,348	
c. Short-term Loans and Advances	B-12	11,33,776		19,67,848	
d. Other Current Assets	B-13	18,10,394	9,32,12,087	25,05,103	10,91,85,806
Total			14,59,40,448		17,10,13,952

Significant Accounting Policies A

The accompanying Notes form an integral part of the Balance Sheet and Profit & Loss Statement.

As per our Audit Report of even date attached

For and on behalf of the Board

For Versha & Associates
Chartered Accountants

M P Gupta
(Chairman)

Alok Tulsyan
(CEO)

(Versha Verma)
Proprietor
M.No.077818
Registration No.008552C
Place: Kanpur
Date:23.08.2014

Narendra Kapoor
Atul Kumar Agarwal

B K Nadhani

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} Directors
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PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	Note No.	Year Ended 31.03.2014 AMOUNT (₹)	Year Ended 31.03.2013 AMOUNT (₹)
Continuing Operations			
I. Revenue from Operations	B-14	28,02,639	26,94,611
II. Other Income	B-15	35,38,524	39,96,538
III. Total Revenue (I + II)		63,41,163	66,91,149
IV. Expenses:			
a. Employee Benefits Expense	B-16	61,85,085	55,71,149
b. Depreciation and Amortization Expense	B-17	3,17,764	4,31,604
c. Other Expenses	B-18	21,91,950	32,28,770
Total Expenses		86,94,799	92,31,523
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		(23,53,636)	(25,40,374)
VI. Exceptional Items			
VII. Profit Before Extraordinary Items and Tax (V - VI)		(23,53,636)	(25,40,374)
VIII. Extraordinary Items		-	1,01,28,000
IX. Profit Before Tax (VII - VIII)		(23,53,636)	75,87,626
X. Tax Expense:			
1. Current Tax		-	13,49,080
2. Deferred Tax		(7,67,135)	7,94,357
XI. Profit after Tax from Continuing Operations (IX-X)		(15,86,501)	54,44,189
XII. Profit after Tax from Discontinuing Operations		-	-
XIII. Profit / (Loss) for the Period (XI + XII)		(15,86,501)	54,44,189
Earnings per Equity Share of ₹ 10/- each			
Basic & Diluted	B-19	(0.61)	2.11
Significant Accounting Policies			
	A		

The accompanying Notes form an integral part of the Balance Sheet and Profit & Loss Statement.
As per our Audit Report of even date attached

For and on behalf of the Board

For Versha & Associates
Chartered Accountants

M P Gupta
(Chairman)

Alok Tulsyan
(CEO)

(Versha Verma)
Proprietor
M.No.077818
Registration No.008552C
Place: Kanpur
Date:23.08.2014

Narendra Kapoor
Atul Kumar Agarwal

B K Nadhani

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} Directors
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NOTE A**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014****a) Fundamental Accounting Assumption:**

- i) The Company follows accounting assumption of a going concern.
- ii) The company is a wholly owned subsidiary of U.P. Stock Exchange Limited and is functioning as a member of BSE Limited (BSE) in Capital Market Segment and National Stock Exchange of India Limited (NSE) in Capital Market and Futures & Options Segments. The company is also a member of MCX Stock Exchange Limited (MCX-SX) but no operational work is done during the year. The company does not do any proprietary trading. Only the trading members of U.P. Stock Exchange Limited who are registered as Sub-brokers with the company are allowed to do business through the company. Although the purchases and sales are made in the name of the company, only brokerage income is reflected in the financial results, to reflect the actual state of affairs.

b) Method of Accounting:

The Financial Statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles in India and comply in all material aspects with the applicable Accounting Standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

c) Fixed Assets:

Fixed Assets are valued at historical cost less accumulated depreciation. All costs relating to acquisition and installation of fixed assets are capitalized and included in the cost of respective fixed assets. The fixed assets of Depository Participant (DP) CDSL have been purchased on 19.10.2013.

d) Depreciation:

Depreciation on all fixed assets is provided on written down value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.

e) Revenue Recognition:

- i) Income from brokerage is recognized as income on the settlement date of transaction.
- ii) Other income i.e. interest income is recognized on accrual basis.
- iii) Income from DP Operations is recognized on accrual basis.

f) Employees Benefits:

AS-15 regarding "Employees Benefits" has been followed by the company and is accounted as under :-

- i) The Company's Contribution towards Provident Fund is transferred to the recognized fund of the Holding Company i.e. U. P. Stock Exchange Association Limited Employees Provident Fund Trust through the holding company.
- ii) Provision for un-availed leaves is made at the end of the year on accrual basis as valued by the Management.
- iii) The Employees of the Company have been covered under the Group Gratuity Scheme Plan of Life Insurance Corporation of India (LIC) taken by the holding company U.P. Stock Exchange Limited. Amount

paid as company's share to holding company (U.P. Stock Exchange Limited) is accounted in accordance with the requirement of AS-15 "Employees Benefits".

g) Investments:

Non current investments (long term) are stated at cost. Provision for diminution in the value of long term investments (unquoted) is made only if such decline in the opinion of the Management is other than the temporary. Short Term investments are carried at lower of cost or market value.

h) Accounting for Taxes on Income:

- i) No Provision for Income Tax is made for the current year due to Loss as per the provisions of the Income Tax Act, 1961.
- ii) Deferred income tax is recognized, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantively enacted as of the Balance Sheet date.

i) Impairment of Assets:

The Management assesses using external and internal sources, whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

j) Provisions and Contingent Liabilities and Contingent Assets:

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent Assets are not recognized or disclosed in the financial statements.

k) Trade Receivables & Payables :

Amounts receivable from and payable to Sub-brokers, Clients, BSE and NSE for broking transactions are recognized on completed settlement basis and disclosed as Trade Receivables and Trade Payables.

l) Earnings Per Share:

Basic earnings per share is computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

For Versha & Associates
Chartered Accountants

(Versha Verma)
Proprietor
M.No.077818
Registration No.008552C
Place: Kanpur
Date:23.08.2014

M P Gupta
(Chairman)

Narendra Kapoor
Atul Kumar Agarwal

Alok Tulsyan
(CEO)

B K Nadhani

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} Directors
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NOTE B-1

SHARE CAPITAL	AS AT	AS AT
	31.03.2014	31.03.2013
	AMOUNT (₹)	AMOUNT (₹)
AUTHORISED :		
50,00,000 Equity Shares of ₹ 10/- Each (50,00,000 Equity Shares of ₹ 10/- Each)	5,00,00,000	5,00,00,000
ISSUED ,SUBSCRIBED & PAID UP :		
25,80,000 Equity Shares of ₹10/- Each Fully Paid up (25,80,000 Equity Shares of ₹ 10/- Each Fully Paid up)	2,58,00,000	2,58,00,000
TOTAL	<u>2,58,00,000</u>	<u>2,58,00,000</u>

Reconciliation of Number of Shares

Particulars	AS AT 31.03.2014		AS AT 31.03.2013	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares				
Opening Balance	25,80,000	2,58,00,000	25,80,000	2,58,00,000
Changes During the Year	-	-	-	-
Closing Balance	<u>25,80,000</u>	<u>2,58,00,000</u>	<u>25,80,000</u>	<u>2,58,00,000</u>

Terms / Rights attached to Equity Shares

The Company has only one class of shares referred to as equity shares having a par value of ₹10/- per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by Holding Companies

Particulars	AS AT 31.03.2014		AS AT 31.03.2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Equity Shares				
Name of Shareholders				
U.P. Stock Exchange Limited	25,79,930	99.99	25,79,930	99.99
Nominees of U. P. Stock Exchange Limited	70	0.01	70	0.01
Total	<u>25,80,000</u>	<u>100</u>	<u>25,80,000</u>	<u>100</u>

Shares held by Shareholders Holding more than 5% Shares

Particulars	AS AT 31.03.2014		AS AT 31.03.2013	
	No. of Shares Held	% of Shares	No. of Shares Held	% of Shares
Equity Shares				
Name of Shareholders				
U.P. Stock Exchange Limited	25,79,930	99.99	25,79,930	99.99
Nominees of U. P. Stock Exchange Limited	70	0.01	70	0.01
Total	<u>25,80,000</u>	<u>100</u>	<u>25,80,000</u>	<u>100</u>

	AS AT 31.03.2014 AMOUNT (₹)	AS AT 31.03.2013 AMOUNT (₹)
NOTE B-2		
RESERVES & SURPLUS		
Securities Premium Reserve	1,55,12,600	1,55,12,600
	1,55,12,600	1,55,12,600
Corpus Received From Sub - brokers for Participation in Trading Platform	4,08,000	4,08,000
	4,08,000	4,08,000
Surplus in Statement of Profit & Loss		
As per last Balance Sheet	1,38,20,369	83,76,180
Add / (Less): Net Profit / (Loss) after Tax Transferred from Statement of Profit & Loss	(15,86,501)	54,44,189
Closing Balance	1,22,33,868	1,38,20,369
TOTAL	2,81,54,468	2,97,40,969
NOTE B-3		
Trade Payables		
Due to Micro and Small Enterprises	-	-
Other	2,03,33,996	2,66,91,791
Advance / Margin received from Sub-brokers & Clients		
Advance Margin for BSE	3,64,85,000	3,88,70,000
Advance Margin for NSE- CM	92,00,000	99,00,000
Advance Margin for NSE - F&O	1,94,00,000	3,27,39,932
	6,50,85,000	8,15,09,932
Margin received from Sub-brokers & Clients F&O Segment	1,63,88,960	3,31,11,026
Less :- Margin Control - F&O Segment	(1,63,88,960)	-
Securities received from Sub-brokers	43,80,980	20,97,896
Less:- Securities Pledged with NSE	(43,80,980)	-
Securities received from Sub-brokers	1,63,94,909	1,40,68,687
Less:-Securities Pledged with BSE	(1,63,94,909)	-
Securities received from Sub-brokers & Clients	1,41,79,422	2,10,24,867
Less:- Securities Deposited with IL&FS for F&O Segment	(1,41,79,422)	-
TOTAL	8,54,18,996	10,82,01,723

Securities/ Mutual Fund received from Sub-brokers in demat form of ₹ 163.95 lakhs (₹ 140.68 lakhs) have been pledged /deposited with BSE, ₹ 43.81 lakhs (₹ 20.98 Lakhs) with NSE and ₹ 141.79 Lakhs (₹ 210.25 Lakhs) pledged / deposited with IL&FS towards Additional Capital / Margin valued at the year end. For disclosure purposes these are shown above.

Securities of ₹ 252.67 lakhs (₹ 46.64 lakhs) for BSE and ₹ 19.86 lakhs (₹ .47 lakhs) for NSE valued at the year end received in advance from clients towards pay-in of settlement No. 1 & 2 (BSE) & 61 (NSE) of 2014-15 falling in the next financial year, were lying in the CM Pool Account of the Company as per norms.

AS AT
31.03.2014 AS AT
31.03.2013
AMOUNT (₹) AMOUNT (₹)

**NOTE B-4
OTHER CURRENT LIABILITIES**

Other Payables	63,90,180	<u>57,72,269</u>
TOTAL	63,90,180	<u>57,72,269</u>

**NOTE B-5
SHORT TERM PROVISIONS**

(a) For Employee Benefits

For Leave Encashment	1,76,804	1,49,911
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(b) Provision -Others

For Tax	-	13,49,080
TOTAL	1,76,804	<u>14,98,991</u>

**NOTE B-6
FIXED ASSETS**

S. No.	Particulars	Rate of Depreciation	Gross Block (At Cost)				Depreciation				Net Block	
			As At 01.04.2013 ₹	Additions During the Year ₹	Sales/Adjustment during the year ₹	Total As At 31.03.2014 ₹	Upto 31.03.2013 ₹	For the Year ₹	Adjustment ₹	Total Upto 31.03.2014 ₹	AS AT 31.03.2014 ₹	AS AT 31.03.2013 ₹
Tangible Assets												
1	Furniture & Fixture	18.10%	5,700	-	-	5,700	2,548	571	-	3,119	2,581	3,152
2	Office Equipment	13.91%	111,090	-	-	111,090	21,769	12,425	-	34,194	76,896	89,321
3	Computer Hardware	40%	5,030,166	44,592	-	5,074,758	4,705,034	138,733	-	4,843,767	230,991	325,132
Total A			5,146,956	44,592	-	5,191,548	4,729,351	151,728	-	4,881,079	310,469	417,605
Intangible Assets												
1	Computer Software	40%	2,107,383	-	-	2,107,383	1,692,293	166,036	-	1,858,329	249,054	415,090
Total B			2,107,383	-	-	2,107,383	1,692,293	166,036	-	1,858,329	249,054	415,090
TOTAL (A+B)			7,254,339	44,592	-	7,298,931	6,421,644	317,764	-	6,739,408	559,523	832,695
Previous Year Figure			6,949,206	305,133	-	7,254,339	5,990,040	431,604	-	6,421,644	832,695	-

Note B-7

NON- CURRENT INVESTMENTS

Non Trade Investments (Valued at Cost)

Investment in Equity Shares (Unquoted)

BSE Ltd.

31,000 (31,000) Equity Shares of Re.1/- each Fully Paid up	1	1
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CSE Ltd.

250 (250) Equity Shares of Re.1/- each Fully paid up	250	250
--	-----	-----

Investment in Bonds (Unquoted)

National Highways Authority of India

606 Bonds of Rs.10,000/- each	60,60,000	<u>60,60,000</u>
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TOTAL	60,60,251	<u>60,60,251</u>
-------	------------------	------------------

Aggregate book value of Unquoted Investment is ₹ 60,60,251.00 (₹ 60,60,251.00) Long term Investments are stated at cost. Provisions for diminution in the value of Long term Investments (unquoted) is made only if such decline in the opinion of the Management is not temporary.

	AS AT 31.03.2014 AMOUNT (₹)	AS AT 31.03.2013 AMOUNT (₹)
Note B-8		
DEFERRED TAX ASSETS		
As per last Balance Sheet	10,56,033	18,50,390
Add : For Current Year	7,67,135	(7,94,357)
TOTAL	18,23,168	10,56,033

In accordance with the Accounting Standard (AS) 22 issued by the Institute of Chartered Accountants of India, deferred tax provision has been made in books of account as detailed below :

Deferred Tax represents the following:

S.No.	Particulars	Assets		Liabilities	
		2013-14	2012-13	2013-14	2012-13
(i)	Timing difference on Depreciation	-	-	1,16,998	1,53,180
(ii)	Timing difference on Losses	19,40,166	-	-	12,09,213
	Total	<u>19,40,166</u>	<u>-</u>	<u>1,16,998</u>	<u>12,09,213</u>
	Deferred tax (Net)	<u>18,23,168</u>	<u>-</u>	<u>10,56,033</u>	<u>1,53,180</u>

Note B-9

LONG - TERM LOANS & ADVANCES

Security Deposits (Unsecured , Considered Good)

Deposit with BSE	1,25,000	1,25,000
Deposit with NSE	2,70,00,000	2,71,00,000
Deposit with Clearing Member (IL& FS Securities Limited for NSE F&O Segment)	1,65,75,000	2,66,00,000
Deposit with CDSL (Depository)	5,00,000	-
Other Loans & Advances		
Staff Loan	85,419	54,167
TOTAL	<u>4,42,85,419</u>	<u>5,38,79,167</u>

Note B-10

TRADE RECEIVABLES

Debts Outstanding for a Period Exceeding Six Months

Other Debts (Unsecured , Considered Good)	62,06,367	58,92,507
TOTAL	<u>62,06,367</u>	<u>58,92,507</u>

Securities valued Rs. 97 lakhs (₹ 11.06 lakhs) at the year end were retained in the Company's Demat Account on the instructions of Sub-brokers to secure debit balances in their clients' accounts and / or for making delivery in future. These balances are included in other debts.

	AS AT 31.03.2014 AMOUNT (₹)	AS AT 31.03.2013 AMOUNT (₹)
Note B-11		
CASH AND CASH EQUIVALENTS		
A. Cash & Bank Balances:		
A.1 Cash in Hand	-	-
A.2 Balances with Banks (Current Account)		
HDFC Bank Limited	1,33,32,176	2,01,00,470
ICICI Bank Limited	25,011	10,011
YES Bank Limited	<u>12,98,171</u>	<u>5,31,867</u>
	1,46,55,358	2,06,42,348
B. Deposits with Banks (FDRs)		
HDFC Bank Limited	99,50,000	2,71,50,000
Oriental Bank of Commerce	5,07,75,000	3,39,00,000
YES Bank Limited	<u>86,81,192</u>	<u>1,71,28,000</u>
	6,94,06,192	7,81,78,000
TOTAL	<u>8,40,61,550</u>	<u>9,88,20,348</u>

FDRs for ₹ 694.06 Lakhs (₹ 781.78 Lakhs) include FDRs amounting to ₹ 457.25 Lakhs (₹ 488.50 Lakhs) pledged with BSE, amounting to ₹ 106.81 Lakhs (₹ 95.00 Lakhs) pledged with NSE for obtaining trading limits and amounting to ₹ 130.00 lakhs (₹ 150.00 lakhs) pledged with IL&FS Securities & Services Ltd. (ISSL), for obtaining trading limits & clearing facility for transactions in F&O Segment.

FDRs for ₹ 694.06 lakhs (₹ 702.25 lakhs) have maturity of more than 12 months and ₹ Nil (₹ 79.53) lakhs with maturity of less than 12 months.

Note B-12**SHORT - TERM LOANS & ADVANCES (Unsecured, Considered Good)**

Staff Loan	48,348	27,340
Other Loans & Advances		
Income Tax Refundable	2,36,414	9,82,827
Tax Deducted at Source	7,66,716	8,50,496
Prepaid Expenses	78,027	73,707
Balances with Statutory Authorities		
Cenvat Credit Receivable	4,272	33,478
TOTAL	<u>11,33,776</u>	<u>19,67,848</u>

Note B-13**OTHER CURRENT ASSETS****Accruals**

Interest Accrued but not due	14,01,949	22,25,585
Other Assets	4,08,446	2,79,518
TOTAL	<u>18,10,394</u>	<u>25,05,103</u>

		Current Year AMOUNT (₹)	Previous Year AMOUNT (₹)
NOTE B-14			
REVENUE FROM OPERATIONS			
Income from Brokerage		2,00,25,118	1,92,00,545
Less :- Brokerage paid to Sub - brokers		<u>1,75,82,464</u>	<u>1,65,05,934</u>
		24,42,654	26,94,611
Income From DP Operation		5,74,174	
Less :- Transaction Charges paid to CDSL	1,30,963		
Brokerage paid to sub-brokers	<u>83,226</u>	<u>2,14,189</u>	3,59,985
			-
	TOTAL	<u>28,02,639</u>	<u>26,94,611</u>

NOTE B-15**OTHER INCOME****(a) Interest Income**

Interest Received on Bank Deposits & Bonds [Tax Deducted at Source ₹ 7,65,240 (₹ 8,47,579)]		81,43,773	91,01,770
--	--	-----------	-----------

Less :- Interest Paid to Sub- brokers		<u>49,36,265</u>	<u>59,11,550</u>
		32,07,508	31,90,220

(b) Dividend Income

Dividend Received from BSE & CSE		1,29,000	5,07,700
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(c) Other Operating Income

Miscellaneous Income		2,02,016	2,98,618
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TOTAL		<u>35,38,524</u>	<u>39,96,538</u>
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NOTE B-16**EMPLOYEE BENEFITS EXPENSE**

Salaries		28,52,795	26,78,529
Employer's Contribution to P.F.		4,59,316	4,02,459
Dearness Allowance		17,95,789	14,74,730
Gratuity		1,89,872	1,66,600
House Rent Allowance		3,91,240	3,62,800
Home Town Allowance		21,003	23,597
Conveyance Allowance		2,19,995	2,13,925
City Compensatory Allowance		12,930	12,800
Medical Expenses		1,63,271	1,51,167
Staff Welfare Expenses		78,875	84,542
	TOTAL	<u>61,85,085</u>	<u>55,71,149</u>

The Employees of the Company have been covered under the Group Gratuity Scheme Plan of Life Insurance Corporation of India (LIC) taken by the holding Company U. P. Stock Exchange Limited.

NOTE B-17**DEPRECIATION AND AMORTIZATION EXPENSE**

Depreciation on Tangible Assets		1,51,728	1,93,172
Amortization of Intangible Assets		1,66,036	2,38,432
	TOTAL	<u>3,17,764</u>	<u>4,31,604</u>

	Current Year AMOUNT (₹)	Previous Year AMOUNT (₹)
Note B-18		
OTHER EXPENSES		
AUDITORS REMUNERATION A/C		
- Audit Fees	30,000	
- Tax Audit Fees	5,000	
- Internal , System and ITORS Audit Fees	50,000	
- Other Services & Certification	<u>5,000</u>	
	90,000	75,000
Annual Subscription BSE	7,000	7,000
Annual Subscription NSE	-	50,000
Annual Subscription MCX	50,000	-
Admission Fees paid to MCX Stock Exchange for Membership	-	10,10,000
Board & Committees Meetings Sitting Fees	53,500	49,500
CDSL Expenses (to become Depository Participant)	1,91,423	-
Computer Expenses	2,61,671	2,24,606
Depository Charges	67,525	1,04,800
Deposit Custody Charges	2,900	4,650
Electric, Generator and Office Maintenance	2,15,096	2,51,258
Filing Fees	3,000	2,105
Insurance Premium	3,011	3,842
Miscellaneous Expenses	2,59,224	2,27,262
NSE Operations Expenses	-	21,298
Postage & Telegram	33,182	6,328
Printing & Stationery	2,38,963	2,74,405
Professional Charges	1,01,000	1,10,200
Rent	2,98,992	4,95,676
Telephone & Internet Expenses	1,88,081	2,23,787
Travelling & Conveyance	1,27,382	87,053
TOTAL	<u>21,91,950</u>	<u>32,28,770</u>

Note B-19**Earnings Per Equity Share****S.No. Particulars**

(i) Net Profit after tax available for Equity Shareholders	(15,86,501)	54,44,189
(ii) Weighted average of number of Equity Shares	25,80,000	25,80,000
(iii) Earnings Per Equity Share of Rs.10/- each (Basic and Diluted)	(0.61)	2.11

	Current Year	Previous Year
	AMOUNT (₹)	AMOUNT (₹)

Note B-20**Related Parties Disclosures****(I) Entities Under Common Control :**

S.No.	Name (Relationship)	Nature of Transaction		
(i)	U.P. Stock Exchange Limited (Holding Company)	Payment of rent and reimbursements	7,03,960	9,13,534

(II) Key Management Personnel :

S.No.	Name (Designation)	Nature of Transaction		
(i)	Shri Alok Tulsyan (Chief Executive Officer)	Remuneration	6,35,279	5,79,183
(ii)	Shri Atul Kumar Agarwal (Whole Time Director)	Remuneration	5,60,445	5,07,819

Note B-21**Contingent Liabilities**

- (I) Estimated amounts of contracts remaining to be executed on Capital account and not provided for Rs. Nil (Nil).
(ii) Claims against the company not acknowledged as debt Nil (Nil).

Note B-22

In the opinion of the Board of Directors, the current assets , loans and advances are stated at values which on realization are at least equal to the amount at which these are stated ,in the ordinary course of business.

The Personal Accounts shown under the heads Trade Receivables, Loans & Advances and Trade Payables are subject to Confirmation.

Figures of previous year have been regrouped or rearranged wherever considered necessary.

Figures mentioned in brackets () are related to previous year.

For Versha & Associates
Chartered Accountants

(Versha Verma)
Proprietor
M.No.077818
Registration No.008552C
Place: Kanpur
Date:23.08.2014

M P Gupta
(Chairman)

Narendra Kapoor
Atul Kumar Agarwal

Alok Tulsyan
(CEO)

B K Nadhani

}
}
}
}
}
} Directors
}
}



U. P. STOCK EXCHANGE LIMITED

CIN : U67120UP1979PLC004876

Regd.Office: `Padam Towers', 14/113, Civil Lines, Kanpur - 208 001

Tel : 0512-2338074

E-mail : upstockexchange@gmailcom

Website : upse-india.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER: _____

I hereby record my presence at the Thirty Fourth Annual General Meeting of U.P. Stock Exchange Limited held on Monday , the 29th September, 2014 at 11.00 a.m. at "Padam Towers, 14/113 Civil Lines, Kanpur-208001

Signature of the Shareholder(s) / Proxy

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

U. P. STOCK EXCHANGE LIMITED

CIN : U67120UP1979PLC004876

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E-mail : upstockexchange@gmailcom

Website : upse-india.com

Name of the Shareholder(s)		e-mail id	
Registered Address		Folio No.	

I/We, being the shareholder(s) of _____ shares of U.P. Stock Exchange Limited, hereby appoint :

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty Fourth Annual General Meeting of the Company, to be held on Monday, the 29th September, 2014 at 11.00 a.m. at ' Padam Towers ', 14/113 Civil Lines, Kanpur - 208001 and at any adjournment thereof in respect of resolutions as indicated below:

Sl.No.	Resolution	For*	Against*
Ordinary Business			
1.	Adoption of Audited Balance Sheet as at 31 st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the reports of Directors and Auditors.		
2.	Re-appointment of Shri Swaran Singh as Shareholder Director, who retires by rotation		
3.	Re-appointment of Ms/ V.P. Aditya & Co., Chartered Accountants as Auditors and fix their remuneration.		

Signed this.....day of.....2014

Signature of first shareholder Signature of second shareholder Signature of third shareholder

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

Affix Re. 1
Revenue
Stamp

Note :

- 1. *Please put a 'X' in the Box in the appropriate column, If you leave 'For' or 'Against' column blank in respect of any or all of the resolutions, your proxy will be entitled to vote in the matter as he/she thinks appropriate.
- 2. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 3. A Proxy need not be a shareholder of the Company.
- 4. A person can act as a proxy on behalf of shareholders not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A shareholder holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

