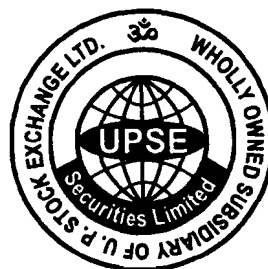


# 15th

**ANNUAL REPORT AND ACCOUNTS  
2014 - 2015**



## **UPSE SECURITIES LIMITED**

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

**BOARD OF DIRECTORS**

SHRI NARENDRA KAPOOR	--	<i>Public Representative Director</i>
Dr. MAHESH PRASAD GUPTA	--	<i>Public Representative Director</i>
Dr. SHYAM BABU GUPTA	--	<i>Public Representative Director</i>
SHRI RAKESH CHANDRA VAISH	--	<i>Trading Member Director</i>
SHRI ALOK TULSYAN	--	<i>CEO &amp; Designated Director</i>
SHRI SANDEEP SETH	--	<i>Designated Director</i>

**STATUTORY AUDITORS**

M/s. Versha & Associates  
(Chartered Accountants)

**BANKERS**

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 Fifteenth **Annual General** Meeting of the Members of UPSE Securities Limited will be **held** on Monday, the 28th September, 2015 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 :-

- **To consider and adopt the Audited Financial Statement for the year ended 31st March, 2015 together with reports of Directors and Auditors thereon.**
2. To appoint a Director in **place** of Rakesh Chandra Vaish (DIN: **02488196**), who retires by rotation and being **eligible**, offers **himself** for reappointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without **modification(s)**, the **following resolution** as an Ordinary **Resolution** :

"RESOLVED THAT the appointment of **M/s. Versha & Associates, Chartered Accountants (ICAI Registration No. 008552C)** as Auditors of the Company made at the Fourteenth **Annual General** Meeting of the Company **held** on 19th September, 2014 for a period of five years be and is hereby ratified for the period from the **conclusion** of this **Annual General** Meeting **until the conclusion** of the next **Annual General** Meeting of the Company at such remuneration **plus** Service Tax and out of pocket expenses as may be fixed by the Board of Directors of the Company."

**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 Sandeep Seth (DIN: **07110642**), 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."

Place : Kanpur

Date : 04.09.2015

By Order of the Board

ALOK TULSYAN

Chief Executive Officer

**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 Sandeep Seth (DIN: 07110642), was appointed as Additional Director w.e.f. 29.05.2015 by the Board of Directors of the Company 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 Sandeep Seth 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 Sandeep Seth, himself may be considered as concerned or interested in the resolution.

Place : Kanpur  
Date : 04.09.2015

By Order of the Board  
ALOK TULSYAN  
Chief Executive Officer

**DIRECTORS' REPORT****To,**The **Members** of UPSE Securities Ltd.

Your Directors have pleasure in presenting herewith the Fifteenth Annual Report along with Audited Financial Statement of the Company for the year ended 31st March, 2015.

**FINANCIAL RESULTS**

The summarized financial position of the Company for the financial year ended 31st March, 2015 as compared to previous year is as under :

FINANCIAL RESULTS	2014-2015 ₹ in Lacs	2013-2014 ₹ in Lacs
Gross Income	75.98	63.41
Operational Loss (before depreciation)	(11.75)	(20.36)
Exceptional & Extraordinary Items	2.44	-
Profit before Depreciation, Taxation and other appropriation	(9.31)	(20.36)
Depreciation	2.85	3.18
Profit Before Tax	(12.16)	(23.54)
Provision of Taxation	-	-
Profit after provision of taxation	(12.16)	(23.54)
Deferred tax	(3.76)	(7.67)
<b>Profit/(Loss) After Tax/Appropriation</b>	<b>(8.40)</b>	<b>(15.87)</b>
Surplus Brought forward	122.34	138.20
Surplus Carried to Balance Sheet	113.94	122.34

**DIVIDEND**

In view of unprofitable operations and to conserve resources for general corporate purposes and working capital requirements, your **Directors** considered it prudent not to recommend any Dividend for the year under review.

**OPERATIONAL REVIEW**

During the year under review, total value of shares traded by sub-brokers through the Company at BSE (Cash segment) was ₹ 2,211.19 crores (Previous year ₹ 1,695.98 crores), at NSE (Capital Market Segment) was ₹ 792.87 crores (Previous Year ₹ 417.93 crores) and at NSE (F&O Segment) was ₹ 926.36 crores (Previous Year ₹ 758.36 crores). Thus, the total turnover of the Company in all the aforesaid three segments was ₹ 3,930.42 crores (Previous Year ₹ 2,872.27 crores) against which the Company has earned net brokerage of ₹ 3,086,121.00 (Previous year ₹ 2,442,654.00) and the total number of **Sub-brokers** active during this period was 62 (Previous year 65). 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.

During the year company also commenced trading in F&O and Currency segments of BSE w.e.f. 07.08.2015 and 10.08.2015 respectively.

The DP function of UP. Stock Exchange Limited which was assigned / transferred to the company w.e.f. 19.10.2013

has been functioning. The Company has earned net income of ₹ 867,751.00 (previous year ₹ 214,189.00) from DP operations.

#### **SUBSIDIARY COMPANY / ASSOCIATE / JOINT VENTURE COMPANY**

The Company has no Subsidiary, Associate and Joint Venture Companies during the year as such the requirement of furnishing information relating to performance and financial position of the Subsidiary, Associate and Joint Venture Companies is not applicable.

#### **STATUTORY AUDITORS**

M/s. Versha & Associates, Chartered Accountants, Kanpur, were appointed as Statutory Auditors of your Company for a period of five years at the Fourteenth Annual General Meeting held on 19th September, 2014. Their continuance of appointment is placed for ratification at the ensuing Annual General Meeting. The Company has received a certificate from the Auditors to the effect that their appointment, if ratified at the Annual General meeting, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

There is no qualification, reservation or adverse remark made by the Auditors in their report.

#### **DIRECTORS**

During the year under review, Shri Bharat Kumar Nadhani, Nominee Director of UPSE ceased to be Director, Shri Madan Lal Jain, Public Representative Director and Shri Atul Kumar Agarwal, Designated Director and nominee of UPSE resigned from the Board of the company effective from 29.05.2015.

Dr. Shyam Babu Gupta has been appointed as Public Representative Director as nominee of UPSE and Shri Sandeep Seth has been appointed as Designated Director w.e.f. 29.05.2015.

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

#### **MEETINGS OF THE BOARD**

The Board of Directors duly met five times during the financial year. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 in prescribed Form MGT-9 is annexed herewith as Annexure -A to this report.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred after the close of the financial year till the date of this Report. Further, there was no change in the nature of business of the Company.

#### **DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

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

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

The details of related party transactions entered into by the company during the financial year ended 31st March,

2015 at arm's length basis are annexed herewith as Annexure-B forming part of this report. Further, reference is also drawn to the notes to the financial statements which sets out all related party disclosures.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any Loans and Guarantees or made investments covered under Section 186 of the Companies Act, 2013.

**RISK MANAGEMENT**

The Company follows the risk management policy, wherein the management keeps an hawk eye view on the business developments. The Board members are regularly informed about the potential risk, their assessment and minimization procedures.

**PERSONNEL**

The company introduced Voluntary Retirement Scheme (VRS) for the staff of the company similar to that of U. P. Stock Exchange Ltd. Eligible staff of the company was allowed VRS.

The relations between the management and the staff were cordial during the period under review.

**STATUTORY INFORMATION**

**A. PARTICULARS OF EMPLOYEES**

As none of the employees of the Company was in receipt of remuneration in excess of the limits prescribed under sub-Rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requisite information being inapplicable is not required to be furnished.

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

As the Company is engaged in Share Broking and Depository Participant activities, details relating to Conservation of Energy and Technology Absorption as per section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 being inapplicable are not required to be furnished. There have been no earnings and expenditure in foreign exchange during the year under review.

**DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, the Directors of the Company state in respect of the year ended 31st March, 2015 that :-

- a) in the preparation of Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- b) they have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial year and of the Loss of the Company for that period.
- c) they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.
- d) they have prepared Annual Accounts on a going concern basis.

- e) they have laid down internal financial controls to be followed by the Company and that such internal controls are adequate and are operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating **effectively**.

#### DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

#### INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

#### ACKNOWLEDGEMENTS

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  
UPSE SECURITIES LIMITED

(ALOK TULSYAN)  
**Chief Executive Officer**  
DIN: 00559803

(RAKESH CHANDRA VAISH)  
**Director**  
DIN:02488196

Place : Kanpur  
Date : 04.09.2015



Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31ST MARCH 2015

Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of  
the Companies(Management and Administration) Rules, 2014**I. REGISTRATION AND OTHER DETAILS:**

(i) CIN	U67120UP2000PLC025330
(ii) Registration Date	19-04-2000
(iii) Name of the Company	UPSE SECURITIES LIMITED
(iv) Category / Sub-Category of the Company	PUBLIC LIMITED COMPANY
(v) Address of the Registered office and contact details	PADAM TOWERS, 14/113, CIVIL LINES, KANPUR - 208 001
(vi) Whether Listed Company Yes / No:	NO
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated :-

Sl.No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Stock Broking Service	6,612	40.61
2.	Depository Participant Service	N. A.	11.42

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	U. P. Stock Exchange Limited Padam Towers, 14/113, Civil Lines, Kanpur -208 001	U67120UP1979PLC004876	Holding Company	100	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	NIL	70	70	0.01	NIL	70	70	0.01	NIL
b) Central Government	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Governments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Body Corporates	NIL	2,579,930	2,579,930	99.99	NIL	2,579,930	2,579,930	99.99	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-Total (A) (1)	NIL	2,580,000	2,580,000	100.00	NIL	2,580,000	2,580,000	100.00	NIL

Category of Shareholders	No. of Shares held at the beginning of the year i.e. 01.04.2014				No. of Shares held at the end of the year i.e. 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Share	
(2) Foreign									
a) NRIs - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other - Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corporates	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	NIL	2,580,000	2,580,000	100	NIL	2,580,000	2,580,000	100	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Government	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Government	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions									
a) Bodies Corporates									
(i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)= (B)(1)+ (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian For GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	2,580,000	2,580,000	100	NIL	2,580,000	2,580,000	100	NIL

## (ii) Shareholding of Promoters

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year i.e. 01.04.2014			Shareholding at the end of the year i.e. 31.03.2015			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1.	U P Stock Exchange Ltd.	2,579,930	99.99	NIL	2,579,930	99.99	NIL	NIL
2.	Jagesh Kumar Dixit *	10	0.00039	NIL	10	0.00039	NIL	NIL
3.	Suresh Gupta *	10	0.00039	NIL	10	0.00039	NIL	NIL
4.	Sandeep Seth *	10	0.00039	NIL	10	0.00039	NIL	NIL
5.	B. P. Gupta *	10	0.00039	NIL	10	0.00039	NIL	NIL
6.	Atul Kumar Agarwal *	10	0.00039	NIL	10	0.00039	NIL	NIL
7.	Alok Tulsyan *	10	0.00039	NIL	10	0.00039	NIL	NIL
8.	Chandra Babu P. R. *	10	0.00039	NIL	10	0.00039	NIL	NIL
	* Nominees of U P Stock Exchange Ltd.							
	TOTAL	2,580,000	100.00	NIL	2,580,000	300.00	NIL	NIL

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

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	At the beginning of the year Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc): At the End of the year	NO CHANGES DURING THE YEAR			

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the top 10 shareholders	Shareholding as on 31.03.2014		Shareholding as on 31.03.2015	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	NIL	NIL	NIL	NIL	NIL
2.	NIL	NIL	NIL	NIL	NIL
3.	NIL	NIL	NIL	NIL	NIL
4.	NIL	NIL	NIL	NIL	NIL
5.	NIL	NIL	NIL	NIL	NIL
6.	NIL	NIL	NIL	NIL	NIL
7.	NIL	NIL	NIL	NIL	NIL
8.	NIL	NIL	NIL	NIL	NIL
9.	NIL	NIL	NIL	NIL	NIL
10.	NIL	NIL	NIL	NIL	NIL

## (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Director and Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year (01-04-14 to 31-03-15)	
				No. of shares	% of total shares	No. of shares	% of shares
A.	Directors :						
1.	SHRI SANDEEP SETH, DIRECTOR						
	At the beginning of the Year	01.04.2014		10	0.00039	10	0.00039
	Changes during the Year			-	0.00	0	0.00
	At the end of the Year	31.03.2015		10	0.00039	10	0.00039
2.	SHRI ATUL KUMAR AGARWAL						
	At the beginning of the Year	01.04.2014		10	0.00039	10	0.00039
	Changes during the Year			-	0.00	0	0.00
	At the end of the Year	31.03.2015		10	0.00039	10	0.00039
B.	Key Managerial Personnel						
1.	SHRI ALOK TULSYAN, MANAGING DIRECTOR acting as CEO						
	At the beginning of the Year	01.04.2014		10	0.00039	10	0.00039
	Changes during the Year			-	0.00	0	0.00
	At the end of the Year	31.03.2015		10	0.00039	10	0.00039

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

Particulars of Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0
Change in Indebtedness during the financial year				
Addition (Net)	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
(i) Principal Amount	0	0	0	0
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	0	0	0	0

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors **and/or** Manager

Sl. No.	Particulars of Remuneration	Name of MD / WTD/ Manager	Name of MD / WTD/ Manager	Total Amount
		Shri Alok Tulsyan Managing Director #	Shri Atul Kumar Agarwal WTD ##	
I -	Gross salary :			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	₹ 587,130	₹ 565,771	₹ 1,152,901
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL

2. Stock Option	NIL	NIL	NIL
3. Sweat Equity	NIL	NIL	NIL
4. Commission			
- as % of profit	NIL	NIL	NIL
- Others, specify	NIL	NIL	NIL
5. Others, please specify	NIL	NIL	
Total	₹ 587,130	₹ 565,771	
Ceiling as per the Act : In view of loss during the year, the remuneration is within the ceiling limit laid down under schedule V of the Companies Act 2013.			

# For the period 01.04.2014 to 31.12.2014

# # For the period 01.04.2014 to 31.01.2015

## B Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	NARENDRA KAPOOR	M. P. GUPTA	M. L. JAIN	
	• Fee for attending Board / Committee meetings	₹ 15,000	₹ 22,000	₹ 9,000	₹ 46,000
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	₹ 15,000	₹ 22,000	₹ 9,000	₹ 46,000
2.	Other Non-Executive Directors	R C VAISH			
	• Fee for attending board / committee meetings	₹ 8,000			₹ 8,000
	• Commission	NIL			NIL
	• Others, please specify	NIL			NIL
	Total (2)	₹ 8,000			₹ 8,000
	Total (B)=(1) + (2)				₹ 54,000
	Total Managerial Remuneration				₹ 1,206,901
Overall Ceiling as per the Act : In view of loss during the year, the remuneration is within the ceiling limit laid down under schedule V of the Companies Act 2013.					

## C Remuneration To Key Managerial Personnel Other Than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	TOTAL
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				
	- as % of profit	NIL	NIL	NIL	NIL
	- Others, specify	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of **contracts/arrangements** entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

## 1. Details of contracts or arrangements or transactions not at arm's length basis

- (a) **Name(s)** of the related party and nature of relationship : NIL
- (b) Nature of contracts/arrangements/transactions : NIL
- (c) Duration of the contracts / arrangements/transactions : NIL
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any : NIL
- (e) Justification for entering into such contracts or arrangements or transactions : NIL
- (f) **Date(s)** of approval by the Board : NIL
- (g) Amount paid as advances, if any : NIL
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NIL

## 2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) **Name(s)** of the related party and nature of relationship : U P Stock Exchange Ltd., Holding Company
- (b) Nature of contracts/arrangements/transactions : Lease Agreement
- (c) Duration of the contracts / arrangements/transactions : 11 months w.e.f. 01.12.2014
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any :  
Lease Rent of ₹ 25,000/- p.m. plus taxes and electric charges on actual basis in respect of office space admeasuring 1400 sq. feet.
- (e) **Date(s)** of approval by the Board, if any : 22.11.2014
- (f) Amount paid as advances, if any : NIL

For and on Behalf of the Board

UPSE SECURITIES LIMITED

ALOK TULSYAN

RAKESH CHANDRA VAISH

Chief Executive Officer

Director

Place : Kanpur

Date : 04.09.2015

DIN: 00559803

DIN:02488196

**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 31st March, 2015, the Statement of Profit and Loss, the Cash flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and Cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting any frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from 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 have taken into account the Provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the Provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of financial statements that give a true and fair presentation in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, 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 on the financial statements.

**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, of the state of affairs of the company as at 31st March, 2015, and its profits and its cash flow for the year ended on that date.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Statement of Profit and Loss and Cash flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements, comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) In our opinion there are no financial transactions or other matters which have an adverse effect on the functioning of the company.
  - f) On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations that may impact the financial position of the company.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. The Company is not liable to make any transfer to Investor Education and Protection Fund.
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)  
VERSHA VERMA  
*Proprietor*  
(Membership No. : 077818)

Place : Kanpur  
Dated : 04.09.2015



**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in Paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date :

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As informed to us, the fixed assets have been physically verified by the Management at the reasonable intervals and the discrepancies noticed during such physical verification were not material and same have been properly dealt with in the books of account.
2. The Company's nature of operations does not require to hold inventories. Accordingly, clause 4(ii) is not applicable to the Company.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and payment for expenses. The activities of the Company do not involve purchase of inventory and the sale of goods. During the course of audit, we have not observed any continuing failure to correct major weakness in the internal control system.
5. In our Opinion and according to information and explanations given to us, the company has not accepted any deposits and hence the provisions of sections 73 to 76 of the Act are not applicable to the company.
6. The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act. The company not being covered by the given section is not required to maintain the specified records.
7. (a) The Company is regular in depositing 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 with appropriate authorities. According to information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.  
(b) 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  
(c) As per the relevant provisions of Companies Act, 1956 and Rules made there under, the company is not liable to make any transfer to Investor Education and Protection Fund.
8. The Company has accumulated loss and has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
9. The Company has neither taken any loans from a financial institution and a bank nor issued any debentures.
10. As informed to us, the company has not given any guarantee to loans taken by others from bank or financial institutions.
11. 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)  
VERSHA VERMA  
Proprietor  
(Membership No. : 077818)

Place : Kanpur  
Dated : 04.09.2015

## Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015 Amount (₹)	As at 31st March, 2014 Amount (₹)
<b>I. EQUITY AND LIABILITIES</b>			
1. Shareholders' Funds			
a. Share Capital	B-1	25,800,000	25,800,000
b. Reserves and Surplus	B-2	26,906,153	52,706,153
			28,154,468
2. Current Liabilities			
a. Trade Payables	B-3	95,505,342	85,418,996
b. Other Current Liabilities	B-4	7,320,637	6,390,180
c. Short-term Provisions	B-5	-	102,825,979
			176,804
TOTAL		155,532,132	145,940,448
<b>II. ASSETS</b>			
1. Non-Current Assets			
a. Fixed Assets	B-6		
(i) Tangible Assets		192,844	310,469
(ii) Intangible Assets		171,917	249,054
b. Non-Current Investments	B-7	4,500,251	6,060,251
c. Deferred Tax Assets (Net)	B-8	2,198,937	1,823,168
d. Long-term Loans and Advances	B-9	45,907,570	52,971,519
			44,285,419
2. Current Assets			
a. Trade Receivables	B-10	8,747,300	6,206,367
b. Cash and Cash Equivalents	B-11	90,845,493	84,061,550
c. Short-term Loans and Advances	B-12	1,624,039	1,133,776
d. Other Current Assets	B-13	1,343,781	102,560,613
			1,810,394
TOTAL		155,532,132	145,940,448
Significant Accounting Policies	A		

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

As per our report of even date attached  
For VERSHA & ASSOCIATES

**Chartered Accountants**

Registration No. 008552C

VERSHA VERMA

**Proprietor**

Membership No.: 077818

Place : Kanpur

Date : 04.09.2015

For and on behalf of the Board

ALOK TULSYAN  
CEO

RAKESH CHANDRA VAISH  
Director

SANDEEP SETH  
Director

## Profit and Loss Statement for the period ended 31st March, 2015

Particulars	Note No.	For the year ended 31.03.2015 Amount (₹)	For the year ended 31.03.2014 Amount (₹)
Continuing Operations			
I. Revenue from Operations	B-14	3,953,872	2,802,639
II. Other Income	B-15	3,644,491	3,538,524
III. Total Revenue (I+II)		7,598,363	6,341,163
IV. Expenses :			
a. Employee Benefits Expense	8-16	6,205,736	6,185,085
b. Man Power Services Expenses		749,764	-
c. Depreciation and Amortization Expense	8-17	284,528	317,764
d. Other Expenses	8-18	1,818,027	2,191,950
Total Expenses		9,058,055	8,694,799
V. Profit Before Exceptional and Extraordinary Items and Tax (III - IV)		(1,459,692)	(2,353,636)
VI. Exceptional Items	B-19	164,392	-
VII. Profit Before Extraordinary Items and Tax (V + VI)		(1,624,084)	(2,353,636)
VIII. Extraordinary Items		408,000	-
IX. Profit Before Tax (VII - VIII)		(1,216,084)	(2,353,636)
X. Tax Expense :			
1. Current Tax		-	-
2. Deferred Tax		(375,769)	(767,135)
XI. Profit after Tax from Continuing Operations (IX-X)		(840,315)	(1,586,501)
XII. Profit after Tax from Discontinuing Operations		-	-
XIII. Profit / (Loss) for the Period (XI + XII)		(840,315)	(1,586,501)
Earnings per Equity Share of ₹ 10/- each			
Basic & Diluted	B-20	(0.33)	(0.61)
Significant Accounting Policies	A		

As per our report of even date attached

For VERSHA &amp; ASSOCIATES

Chartered Accountants

Registration No. 008552C

VERSHA VERMA

Proprietor

Membership No.: 077818

Place : Kanpur

Date : 04.09.2015

For and on behalf of the Board

ALOK TULSYAN  
CEORAKESH CHANDRA VAISH  
DirectorSANDEEP SETH  
Director

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

Particulars	Amount (₹)
A. Cash flow from operating activities	
Net Profit before taxation	(1,216,084)
Adjustment for:	
<b>Add :</b>	
Depreciation & Amortisation Expenses	284,528
<b>Less :</b>	
Other Income	3,644,491
Operating Profit before Working Capital Changes	(4,576,047)
Change in Working Capital	
(Increase)/Decrease in Other Current Assets	466,613
(Increase)/Decrease in Trade Receivables	(2,540,933)
(Increase)/Decrease in Short term Loans & Advances	(490,263)
(Increase)/Decrease in Long term Loans & Advances	(1,622,151)
Increase/(Decrease) in Trade Payables	10,086,346
Increase/(Decrease) in Other Current Liabilities	930,457
Increase/(Decrease) in Short term Provisions	(176,804)
Cash generated from operations	2,077,218
Income Tax Paid	-
Cash flow from Extraordinary Items	2,077,218
Extraordinary Items	408,000
Net Cash From Operating Activities	1,669,218
B. <b>Cashflow</b> from Investing Activities	
purchase of Fixed Assets	(89,766)
Other Income	3,644,491
Maturity of Investments	1,560,000
Net Cash From Investing Activities	5,114,725
C. <b>Cashflow</b> From Financing Activities	
Net Cash from Financing activities	-
D. Net Increase in Cash & Cash Equivalents	6,783,943
Cash & Cash Equivalents at the beginning of the period	84,061,550
Cash & Cash Equivalents at the end of the period	90,845,493

As per our report of even date attached

For VERSHA &amp; ASSOCIATES

**Chartered Accountants**

Registration No. 008552C

VERSHA VERMA

**Proprietor**

Membership No.: 077818

Place : Kanpur

Date : 04.09.2015

For and on behalf of the Board

ALOK TULSYAN  
CEORAKESH CHANDRA VAISH  
DirectorSANDEEP SETH  
Director

## NOTE A

SIGNIFICANT **ACCOUNTING** POLICIES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

## a) Fundamental Accounting Assumption :

- i) The Financial Statements have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention. The Company follows accounting assumption of a going concern.
- ii) The company is a wholly owned subsidiary of UP. 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 Ltd. (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 to comply with all material respects with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The company follows Mercantile system of accounting and recognizes income and expenditure on an accrual basis except those with significant uncertainties. Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

The accounting policies applied by the Company are consistent with those used in previous year.

## c) Fixed Assets :

- i) Tangible 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.
- ii) Intangible assets expected to provide future enduring economic benefits are recorded at the value of consideration paid for acquisition of such assets and are carried at cost of acquisition net of accumulated depreciation and impairment loss, if any.

## d) Depreciation :

Depreciation on all fixed assets is provided on written down value method as per the rates prescribed under Schedule II of the Companies Act, 2013.

## 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 except on Dormant accounts.

## 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 was 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) The Employees of the Company had been covered under the Group Gratuity Scheme Plan of Life Insurance Corporation of India (LIC) taken by the holding company UP. 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".
- iii) During the year employees on deputation from UP Stock Exchange Ltd and employee of the company have taken VRS. Since VRS, to run the affairs, the company has availed the services of Manpower Supply Agency.

## 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 Financial Statements. Contingent assets are not **recognized** or disclosed in the financial statements.

## k) Trade Receivables &amp; 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.

As per our report of even date attached

For VERSHA & ASSOCIATES

*Chartered Accountants*

Registration No. 008552C

VERSHA VERMA

*Proprietor*

Membership No.: 077818

Place : Kanpur

Date : 04.09.2015

For and on behalf of the Board

ALOK TULSYAN

CEO

RAKESH CHANDRA VAISH

*Director*

SANDEEP SETH

*Director*

# UPSE Securities Limited

## Notes to the Financial Statements

Particulars	As at 31.03.2015 Amount (₹)	As at 31.03.2014 Amount (₹)
NOTE B-I		
SHARE CAPITAL		
AUTHORISED :		
5,000,000 Equity Shares of ₹ 10/- Each	50,000,000	50,000,000
(5,000,000 Equity Shares of ₹ 10/- Each)		
ISSUED, SUBSCRIBED & PAID UP :		
2,580,000 Equity Shares of ₹ 10/- Each Fully Paid up	25,800,000	25,800,000
(2,580,000 Equity Shares of ₹ 10/- Each Fully Paid up)		
<b>TOTAL</b>	<b>25,800,000</b>	<b>25,800,000</b>

## Reconciliation of Number of Shares

Particulars	As At 31.03.2015		As At 31.03.2014	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares				
Opening Balance	2,580,000	25,800,000	2,580,000	25,800,000
Changes During the Year				
Closing Balance	2,580,000	25,800,000	2,580,000	25,800,000

## 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 31.03.2015		As At 31.03.2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares				
Name of Shareholders				
U.P. Stock Exchange Limited	2,579,930	99.99	2,579,930	99.99
Nominees of U. P. Stock Exchange Limited	70	0.01	70	0.01
<b>TOTAL</b>	<b>2,580,000</b>	<b>100.00</b>	<b>2,580,000</b>	<b>100.00</b>

## Shares held by Shareholders Holding more than 5% Shares

Particulars	As At 31.03.2015		As At 31.03.2014	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares				
Name of Shareholders				
U.P. Stock Exchange Limited	2,579,930	99.99	2,579,930	99.99
Nominees of U. P. Stock Exchange Limited	70	0.01	70	0.01
<b>TOTAL</b>	<b>2,580,000</b>	<b>100</b>	<b>2,580,000</b>	<b>100</b>



## Notes to the Financial Statements

Particulars	As at 31.03.2015 Amount (₹)	As at 31.03.2014 Amount (₹)
NOTE B-2		
RESERVES & SURPLUS		
Securities Premium Reserve	15,512,600	15,512,600
	<u>15,512,600</u>	<u>15,512,600</u>
Corpus Received From Sub – brokers for Participation In Trading Platform		408,000
As per last Balance Sheet	408,000	
Less : Transfer to Profit & loss A/c	<u>408,000</u>	<u>-</u>
		<u>408,000</u>
Surplus in Statement of Profit & Loss		
As per last Balance Sheet	12,233,868	13,820,369
Add / (Less): Net Profit / (Loss) after Tax Transferred from Statement of Profit & Loss	<u>(840,315)</u>	<u>(1,586,501)</u>
Closing Balance	<u>11,393,553</u>	<u>12,233,868</u>
TOTAL	<u>26,906,153</u>	<u>28,154,468</u>

## NOTE B-3

Trade Payables		
Due to Micro and Small Enterprises	-	-
Other	31,275,342	20,333,996
Advance / Margin received from Sub-brokers & Clients		
Advance Margin for BSE	33,785,000	36,485,000
Advance Margin for NSE- CM	8,475,000	9,200,000
Advance Margin for NSE – F&O	<u>21,970,000</u>	<u>19,400,000</u>
	64,230,000	65,085,000
Margin received from Sub-brokers & Clients F&O Segment	21,080,623	16,388,960
Less : Margin Control – F&O Segment	<u>-21,080,623</u>	<u>-16,388,960</u>
Securities received from Sub-brokers	2,097,895	4,380,980
Less : Securities Pledged with NSE	<u>-2,097,895</u>	<u>-4,380,980</u>
Securities received from Sub-brokers	21,885,263	16,394,909
Less : Securities Pledged with BSE	<u>-21,885,263</u>	<u>-16,394,909</u>
Securities received from Sub-brokers & Clients	23,488,828	14,179,422
Less: Securities Deposited with IL&FS for F&O Segment	<u>-23,488,828</u>	<u>-14,179,422</u>
TOTAL	<u>95,505,342</u>	<u>85,418,996</u>

Securities1 Mutual Fund received from Sub-brokers in demat form of ₹ 218.85 lakhs (₹ 163.95 lakhs) have been pledged/deposited with BSE, ₹ 20.98 lakhs (7 43.81 Lakhs) with NSE and ₹ 234.89 Lakhs (7 141.79 Lakhs) pledged/deposited with IL&FS towards Additional Capital / Margin valued at the year end. For disclosure purposes these are shown above.

Securities of ₹ 104.35 lakhs (₹ 252.67 lakhs) for BSE and ₹ 23.23 lakhs (₹ 19.86 lakhs) for NSE valued at the year end received in advance from clients towards pay-in of settlement No. 1 & 2 (BSE) 60 & 61 (NSE) of 2015-16 falling in the next financial year, were lying in the CM Pool Account of the Company as per norms.

## Notes to the Financial Statements

Particulars

As at  
31.03.2015  
Amount (₹)As at  
31.03.2014  
Amount (₹)

## NOTE B-4

## OTHER CURRENT LIABILITIES

Other Payables

7,320,637 6,390,180

TOTAL

7,320,637 6,390,180

## NOTE B-5

## SHORT TERM PROVISIONS

(a) For Employee Benefits  
For Leave Encashment

- 176,804

(b) Provision -Others  
For Tax

- -

TOTAL

- 176,804

## NOTE B-6

## FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2014	Addition during the year	Sale /Adj. during the year	Total As at 31.3.2015	Upto 31.03.2014	For the Year	Adjust- ment of WDV Schedule 2	Total as on Upto 31.03.2015	Balance As at 31.03.2015	Balance As at 31.03.2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>Tangible Assets</b>										
1. Furniture & Fixture	5,700	-	-	5,700	3,119	746	-	3,865	1,835	2,581
2. Office Equipment	111,090	89,766	-	200,856	34,194	84,452	-	118,646	82,210	76,896
3. Computer Hardware	5,074,758	-	-	5,074,758	4,843,767	122,193	-	4,965,959	108,799	230,992
<b>Total A</b>	<b>5,191,548</b>	<b>89,766</b>	<b>-</b>	<b>5,281,314</b>	<b>4,881,080</b>	<b>207,391</b>	<b>-</b>	<b>5,088,470</b>	<b>192,844</b>	<b>310,469</b>
<b>Intangible Assets</b>										
1. Computer Software	2,107,383	-	-	2,107,383	1,858,329	77,137	-	1,935,466	171,917	249,054
<b>Total B</b>	<b>2,107,383</b>	<b>-</b>	<b>-</b>	<b>2,107,383</b>	<b>1,858,329</b>	<b>77,137</b>	<b>-</b>	<b>1,935,466</b>	<b>171,917</b>	<b>249,054</b>
<b>TOTAL (A+B)</b>	<b>7,298,931</b>	<b>89,766</b>	<b>-</b>	<b>7,388,697</b>	<b>6,739,409</b>	<b>284,528</b>	<b>-</b>	<b>7,023,936</b>	<b>364,761</b>	<b>559,523</b>
Previous Year Figure	7,254,339	44,592	-	7,298,931	6,421,644	317,764	-	6,739,408	559,523	-

## 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 ₹ 1/- each Fully Paid up

1 1

CSE Ltd.

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

250 250

Investment in Bonds (Unquoted)

National Highways Authority of India

450 (606) Bonds of ₹ 10,000/- each

4,500,000 6,060,000

TOTAL

4,500,251 6,060,251

Aggregate book value of Unquoted Investment is ₹ 4,500,251 (₹ 6,060,251). 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.

## Notes to the Financial Statements

## Particulars

As at  
31.03.2015  
Amount (₹)As at  
31.03.2014  
Amount (₹)

## NOTE B-8

## DEFERRED TAX ASSETS

As per last Balance Sheet	1,823,168	1,056,033
Add : For Current Year	375,769	767,135
<b>TOTAL</b>	<b>2,198,937</b>	<b>1,823,168</b>

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 :

Sl. No.	Particulars	Assets 2014-15	Liabilities	Assets 2013-14	Liabilities
(i)	Timing difference on Depreciation	—	68,169	—	116,998
(ii)	Timing difference on Losses	2,267,106	—	1,940,166	—
	<b>TOTAL</b>	<b>2,267,106</b>	<b>68,169</b>	<b>1,940,166</b>	<b>116,998</b>
	Deferred tax (Net)	<b>2,198,937</b>		<b>1,823,168</b>	

## NOTE B-9

## LONG - TERM LOANS &amp; ADVANCES

Security Deposits (Unsecured, Considered Good)

Deposit with BSE	125,000	125,000
Deposit with NSE	27,000,000	27,000,000
Deposit with Clearing Member (IL& FS Securities Limited for NSE F&O Segment)	17,625,000	16,575,000
Deposit with CDSL (Depository)	500,000	500,000

## Other Loans &amp; Advances

Deferred revenue Expenditure	657,570	—
Staff Loan	—	85,419
<b>TOTAL</b>	<b>45,907,570</b>	<b>44,285,419</b>

## NOTE B-10

## TRADE RECEIVABLES

Debts Outstanding for a Period Exceeding Six Months

Other Debts (Unsecured Considered Good)	8,747,300	6,206,367
<b>TOTAL</b>	<b>8,747,300</b>	<b>6,206,367</b>

Securities valued ₹ 17.87 lakhs (7 97 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.

## Notes to the Financial Statements

Particulars	As at 31.03.2015 Amount (₹)	As at 31.03.2014 Amount (₹)
<b>NOTE B-11</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>A. Cash &amp; Bank Balances :</b>		
A.1 Imperest in Hand	459	-
A.2 Stamp in Hand	5,900	-
A.3 Balances with Banks (Current Account)		
HDFC Bank Limited	21,881,517	13,332,176
ICICI Bank Limited	26,000	25,011
YES Bank Limited	1,425,425	1,298,171
	23,332,942	14,655,358
<b>B. Deposits with Banks (FDRs)</b>		
HDFC Bank Limited	3,100,000	9,950,000
Oriental Bank of Commerce	60,725,000	50,775,000
YES Bank Limited	3,681,192	8,681,192
	67,506,192	69,406,192
<b>TOTAL</b>	<b>90,845,493</b>	<b>84,061,550</b>

FDRs for ₹ 675.06 Lakhs (7 694.06 Lakhs) include FDRs amounting to ₹ 442.25 Lakhs (₹ 457.25 Lakhs) pledged with BSE, amounting to ₹ 101.81 Lakhs (7 106.81 Lakhs) pledged with NSE for obtaining trading limits and amounting to ₹ 100.00 lakhs (7 130.00 lakhs) pledged with IL&FS Securities & Services Ltd. (ISSL), for obtaining trading limits and clearing facility for transactions in F&O Segment.

FDRs for ₹ 644.06 lakhs (7 694.06 lakhs) have maturity of more than 12 months and ₹ 31.00 lakhs (₹ Nil) with maturity of less than 12 months.

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

Staff Loan	-	48,348
<b>Other Loans &amp; Advances</b>		
Income Tax Refundable	697,509	236,414
Tax Deducted at Source	828,000	766,716
Prepaid Expenses	71,622	78,027
<b>Balances with Statutory Authorities</b>		
Cenvat Credit Receivable	26,908	4,272
<b>TOTAL</b>	<b>1,624,039</b>	<b>1,133,776</b>

**NOTE 8-13****OTHER CURRENT ASSETS****Accruals**

Interest Accured but not due	1,091,263	1,401,949
Other Assets	252,518	408,446
<b>TOTAL</b>	<b>1,343,781</b>	<b>1,810,394</b>

## Notes to the Financial Statements

Particulars		Current Year Amount (₹)	Previous year Amount (₹)
<b>NOTE 6-14</b>			
<b>REVENUE FROM OPERATIONS</b>			
Income from Brokerage	30,935,776		20,025,118
Less : Brokerage paid to Sub-brokers	27,849,655	3,086,121	17,582,464
Income From DP Operation	1,450,029		574,174
Less : Transaction Charges paid to CDSL	373,021		
Commission paid to sub-brokers	209,257	582,278	867,751
TOTAL		3,953,872	2,802,639
<b>NOTE B-15</b>			
<b>OTHER INCOME</b>			
(a) Interest <b>Income</b>			
Interest Received on Bank Deposits & Bonds	8,634,912		8,143,773
[Tax Deducted at Source ₹ 828,000 (₹ 765,240)]			
Less : Interest Paid to Sub-brokers	5,540,746		4,936,265
		3,094,166	3,207,508
(b) Dividend Income			
Dividend Received from BSE & CSE		129,000	129,000
(c) Other Operating Income			
Miscellaneous Income		421,325	202,016
TOTAL		3,644,491	3,538,524
<b>NOTE 6-16</b>			
<b>EMPLOYEE BENEFITS EXPENSE</b>			
Salaries		2,929,694	2,852,795
Employer's Contribution to P.F.		459,779	459,316
Dearness Allowance		1,925,075	1,795,789
Gratuity		-	189,872
House Rent Allowance		369,000	391,240
Home Town Allowance		30,895	21,003
Conveyance Allowance		189,985	219,995
City Compensatory Allowance		11,340	12,930
Medical Expenses		193,117	163,271
Staff Welfare Expenses		96,851	78,875
TOTAL		6,205,736	6,185,085
<b>NOTE B-17</b>			
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>			
Depreciation on Tangible Assets		207,391	151,728
Amortization of Intangible Assets		77,137	166,036
TOTAL		284,528	317,764

## Notes to the Financial Statements

Particulars	Current Year Amount (₹)	Previous year Amount (₹)
<b>Note E 18</b>		
<b>OTHER EXPENSES</b>		
<b>AUDITORS REMUNERATION A/C</b>		
- Audit Fees	30,000	
- Tax Audit Fees	5,000	
- Internal, System and ITORS Audit Fees	70,000	
- Other Services & Certification	5,000	
	<b>110,000</b>	90,000
Annual Subscription BSE	7,000	7,000
Annual Subscription MCX-SX	-	50,000
Board & Committees Meetings Sitting Fees	54,000	53,500
CDSL Expenses (to become Depository Participant)	-	191,423
Computer Expenses	296,376	261,671
Depository Charges	38,849	67,525
Deposit Custody Charges	1,700	2,900
Electric, Generator and Office Maintenance	213,979	215,096
Filing Fees	5,500	3,000
Insurance Premium	22,903	3,011
Miscellaneous Expenses	224,321	259,224
Postage & Telegram	89,093	33,182
Printing & Stationery	238,273	238,963
Professional Charges	101,000	101,000
Rent	300,000	298,992
SMS & Email Expenses	1,650	-
Telephone & Internet Expenses	94,380	188,081
Travelling & Conveyance	19,003	127,382
<b>TOTAL</b>	<b>1,818,027</b>	<b>2,191,950</b>

## NOTE E 19

Exceptional items :

VRS Expenses	164,392	-
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The Company had announced a voluntary Retirement Scheme (VRS) for its employees in consonance with the requirement of Section 10 (10C) of the Income Tax Act, 1961. During the year 1 (one) Employee (NIL) opted the scheme which was settled by the company in full. 1/5 of the said Expenditure has been charged to P/L Statement during the year.

## NOTE 8-20

Extraordinary Items :

Corpus received from sub-brokers for participation on trading platform transferred to Profit & Loss A/c.	408,000	-
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## Notes to the Financial Statements

Particulars	Current Year Amount (₹)	Previous year Amount (₹)
<b>NOTE B-21</b>		
<b>Earnings Per Equity Share</b>		
(i) Net Profit after tax available for Equity Shareholders	(840,315)	(1,586,501)
(ii) Weighted average of number of Equity Shares	2,580,000	2,580,000
(iii) Earnings Per Equity Share of ₹ 10/- each (Basic and Diluted)	(0.33)	(0.61)

**NOTE B-22**

## Related Parties Disclosures

**(I) Entities Under Common Control :**

Sl. No.	Name (Relationship)	Nature of Transaction	Current Year Amount (₹)	Previous year Amount (₹)
(i)	UP. Stock Exchange Limited (Holding Company)	Payment of rent and reimbursements	525,888	703,960

**(II) Key Management Personnel :**

Sl. No.	Name (Designation)	Nature of Transaction	Current Year Amount (₹)	Previous year Amount (₹)
(i)	Shri Alok Tulsyan (Chief Executive Officer) (01.04.2014 TO 31.12.2014)	Remuneration	587,130	635,279
(ii)	Shri Atul Kumar Agarwal (Whole Time Director) (01.04.2014 TO 31.01.2015)	Remuneration	565,771	560,445

**NOTE B-23****Contingent Liabilities**

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

**NOTE B-24**

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.

As per our report of even date attached

For and on behalf of the Board

For VERSHA & ASSOCIATES

Chartered Accountants

Registration No. 008552C

VERSHA VERMA

Proprietor

Membership No.: 077818

Place : Kanpur

Date : 04.09.2015

ALOK TULSYAN  
CEO

RAKESH CHANDRA VAISH  
Director

SANDEEP SETH  
Director