



Independent Auditor's Report

To the Members of Steel City Commodities Private Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **STEEL CITY COMMODITIES PRIVATE LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 March 31, 2019, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not come across any matters to be considered as key matters to be communicated in our report.



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Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows 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 Rules 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

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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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid (Standalone) financial statements comply with the Accounting Standards specified under section 133 of the Act, as applicable.
- e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company does not have any pending litigations which would impact its financial position
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For A.V.Ratnam & Co.,
Chartered Accountants
FRN:003028S

Place: VISAKHAPATNAM
Date: 28.05.2019



[Handwritten Signature]

Y VV SATYANARAYANA
(Partner)
Membership No. :214256

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets have been physically verified by the management during the year and no material discrepancies between the books of account and the physical fixed assets have been noticed.
- (c) The Company does not have immovable properties as on date of Balance Sheet hence the clause no.1 (c) does not applicable.
- 2) The nature of business of the Company does not require it to have any inventory. Hence the required Clause '2' is not applicable to the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



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- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, GST, Duty of Customs, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- b) According to the information and explanation given to us, there are no dues of income tax, service tax, GST, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

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- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act are not applicable.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause (xvi) of the Order are not applicable to the Company and hence not commented upon.

For A.V.Ratnam & Co.,
Chartered Accountants
FRN:003028S




Y V V SATYANARAYANA
(Partner)
Membership No. :214256

Place: VISAKHAPATNAM
Date: 28.05.2019

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Steel City Commodities Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of STEEL CITY COMMODITIES PRIVATE LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.V.Ratnam & Co.,
Chartered Accountants
FRN:003028S



Y V V SATYANARAYANA
(Partner)
Membership No. :214256

Place: VISAKHAPATNAM
Date: 28.05.2019



STEEL CITY COMMODITIES PVT. LTD.

STEEL CITY COMMODITIES PVT LTD
49-52-5/4, SHANTHIPURAM
VISAKHAPATNAM - 530 016

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019		As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
I. EQUITY AND LIABILITIES:			
1. Shareholders' Funds			
a) Share Capital	3	10,000,000.00	10,000,000.00
b) Reserves and Surplus	4	128,020,039.58	127,098,730.97
2. Non- Current Liabilities			
a) Long-term borrowings	5	-	-
b) Deferred tax liabilities (net)	6	92,120.72	112,684.23
3. Current Liabilities			
a) Trade Payables	7	35,983,585.44	29,974,632.19
b) Other Current Liabilities	8	4,332,406.54	4,857,739.30
c) Short-term Provisions	9	1,617,210.00	3,636,310.00
Total		<u>180,045,362.28</u>	<u>175,680,096.69</u>
II ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
i) Tangible Assets	10	1,636,197.04	1,943,432.70
ii) Intangible Assets	11	-	-
(b) Non Current Investments	12	30,890,635.00	25,395,880.00
(c) Long term Loans and Advances	13	12,315,630.00	11,065,630.00
(d) Other Non-current Assets	14	509,078.18	1,027,451.08
2. Current Assets			
(a) Current Investments	12	13,390,357.00	8,333,025.75
(b) Trade Receivables	15	7,751,674.65	10,174,024.65
(c) Cash and Cash Equivalents	16	71,105,663.94	79,857,490.80
(d) Short-term loans and advances	17	38,790,400.00	34,496,297.62
(e) Other Current Assets	18	3,655,726.47	3,386,864.09
Total		<u>180,045,362.28</u>	<u>175,680,096.69</u>

Overview & Significant Accounting policies 1 & 2
The accompanying notes are an integral part of these Financial Statements

In terms of our report attached

For A.V.Ratnam & Co.,

Chartered Accountants

Firm Reg.No.003028S

Y V V SATYANARAYANA

Partner

Membership NO.214256



For STEEL CITY COMMODITIES PVT LTD

K Satyanarayana

K SATYANARAYANA
DIRECTOR

Satish Kumar Arya

SATISH KUMAR ARYA
DIRECTOR



PLACE: VISAKHAPATNAM

DATE : 28.05.2019



STEEL CITY COMMODITIES PVT. LTD.

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019

Particulars	Note No	Year Ended	Year Ended
		31-Mar-19	31-Mar-18
		Rs.	Rs.
I. Revenue from Operations	19	14,966,100.20	13,225,896.83
II. Other Income	20	9,049,273.70	13,665,961.52
III. Total Revenue (I+II)		<u>24,015,373.90</u>	<u>26,891,858.35</u>
IV. Expenses			
Expenditure on Trading Operations	21	250,437.76	194,338.18
Employee benefits expense	22	4,423,322.00	7,420,728.00
Finance Costs	23	322,738.32	444,284.88
Depreciation and amortisation expense	10&11	307,235.66	327,784.14
Other expenses	24	16,243,333.36	13,437,418.83
Total Expenses		<u>21,547,067.10</u>	<u>21,824,554.03</u>
V. Profit before tax (III-IV)		2,468,306.80	5,067,304.32
VI. Tax Expense			
1) Current Tax		1,617,210.00	1,188,130.00
2) Tax relating to prior years		(49,648.30)	116,604.80
3) Deferred tax		(20,563.51)	(14,263.59)
VII. Profit for the year (V-VI)		<u>921,308.61</u>	<u>3,776,833.11</u>
VIII. Earnings per share (of Rs.10/- each)	25		
a) Basic - Annualised		0.92	3.78
b) Diluted - Annualised		0.92	3.78

Overview & Significant Accounting policies 1 & 2
The accompanying notes are an integral part of these Financial Statements

In terms of our report attached
For A.V.Ratnam & Co.,
Chartered Accountants
Firm Reg.No.003028S


Y V V SATYANARAYANA
Partner
Membership NO.214256



For STEEL CITY COMMODITIES PVT LTD


K SATYANARAYANA
DIRECTOR


SATISH KUMAR ARYA
DIRECTOR



PLACE: VISAKHAPATNAM
DATE : 28.05.2019



STEEL CITY COMMODITIES PVT. LTD.

STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

	As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
A. Cash flow from Operating Activities		
Net Profit Before Tax	2,468,306.80	5,067,304.32
Adjustment for:		
Depreciation and amortization expense	307,235.66	327,784.14
Provision for Diminution in Value of Investments	6,179,648.47	1,825,234.79
Finance Costs	322,738.32	444,284.88
Interest Income	(7,904,348.71)	(8,088,468.31)
Operating Profit before Working Capital Changes	1,373,580.54	(423,860.18)
Trade Receivables	2,422,350.00	893,674.95
Other Receivables	(4,562,964.76)	(34,235,838.84)
Other Assets	(731,627.10)	1,496,589.55
Trade Payables	6,008,953.25	1,218,567.51
Other Payables & Provisions	(3,713,074.36)	201,675.51
Change in Working Capital	(576,362.97)	(30,425,331.32)
Cash generated from Operations	797,217.57	(30,849,191.50)
Income tax paid	(398,920.10)	(1,814,266.50)
Net Cash generated from Operating Activities	398,297.47	(32,663,458.00)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	-	-
Proceeds from Sale of Fixed Assets	-	-
Investments - (Purchase) / Sale	(16,731,734.72)	(12,654,140.54)
Interest Received	7,904,348.71	8,088,468.31
Net cash used in investing activities	(8,827,386.01)	(4,565,672.23)
C. Cash flow from Financing Activities		
Interest paid	(322,738.32)	(444,284.88)
Proceeds from borrowings	-	-
Dividend paid including tax on dividend	-	(2,407,160.00)
Net cash used in Financing activities	(322,738.32)	(2,851,444.88)
D. Net Increase / (Decrease) in Cash & Cash Equivalents	(8,751,826.86)	(40,080,575.11)
E. Cash & Cash Equivalents (Opening)		
as on 1st April 2018 / 1st April 2017	79,857,490.79	119,938,065.90
F. Cash & Cash Equivalents (Closing)	71,105,663.93	79,857,490.79
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash in hand	340,985.00	223,710.00
Cheques, draft on hand	155,000.00	75,000.00
Balances with Schedule banks		
in current accounts	20,580,222.71	12,180,144.57
in deposit accounts	50,029,456.23	67,378,636.23

In terms of our report attached

For A.V.Ratnam & Co.,

Chartered Accountants

Firm Reg.No.003028S

Y V V SATYANARAYANA

Partner

Membership NO.214256



For STEEL CITY COMMODITIES PVT LTD

K SATYANARAYANA
DIRECTOR

SATISH KUMAR ARYA
DIRECTOR



PLACE: VISAKHAPATNAM

DATE : 28.05.2019



STEEL CITY COMMODITIES PVT. LTD.

Note No.1 : Company over view

Steel City Commodities Private Limited ("the Company") was incorporated on 07 October 2002. The Company is primarily engaged in the business as brokers for Commodities trading in various commodity exchanges.

Note No.2 : Significant Accounting Policies

a Basis of Preparation of Financial Statements

The financial statements are prepared on the basis of historical cost convention and are in accordance with the accounting principles generally accepted in India and are in line with the applicable accounting Standards as prescribed under the Companies Act, 2013

b Use of Estimates

The Preparation and Presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the Financial Statements and reported amounts of Revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

c Income Recognition

i. Operating Income

Income from Trading Operations, which comprises of Brokerage is accounted for up to the date of last settlement in the reporting period.

ii. Interest Income

Revenue is recognized on a time proportion basis taking into account the amount of deposit and a rate applicable

iii. Dividend Income

Revenue is recognized when the shareholders right to receive payment is established by the balance sheet date.

d Expenses

Expenses are accounted on accrual basis and Provisions made for all known liabilities and losses on available information.

Trading losses arising out of communication & computer disruptions and other operational reasons are treated as trading expenses

e Fixed Assets (Tangible / Intangible)

Fixed Assets are valued at cost less accumulated Depreciation/Amortisation and impairment Losses. Cost include all expenses incurred to bring the asset to its present location and condition.

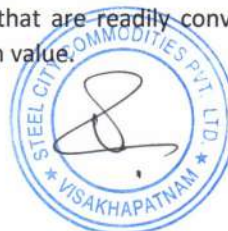
f Depreciation / Amortisation

Depreciation on Tangible Fixed Assets is provided under straight-line method over the useful life of assets as prescribed in Schedule II to the Companies Act, 2013.

Computer software, an intangible asset, is amortised under straight-line method over the estimated useful life of 3 years.

g Cash and Cash Equivalents

Cash and Cash Equivalents includes cash in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amount of cash and which are subject to insignificant risk of changes in value.





h Taxes on Income

(i) current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable Tax Laws.

(ii) Deferred Tax on account of timing difference between taxable and accounting income is provided using the tax rates and tax laws enacted or substantially enacted by the Balance Sheet Date. Deferred Tax Asset are reviewed at each Balance Sheet date for their realisability.

i Investments

(i) Investments that are intended to be held for more than a year are classified as Long-term Investments. All other investments are classified as current investments.

(ii) Long-term investments are carried at cost, unless there is diminution other than temporary in their value.

(iii) Current Investments are valued at lower of cost or market value.

j Retirement Benefits

i. The Company's contribution to Provident Fund is recognized on accrual basis.

ii. Leave encashment liability is provided on the basis of actual valuation made by the management at the end of each calendar year

iii. In accordance with applicable Indian laws, the Company provides for gratuity a defined benefit retirement plan (Gratuity plan) covering all employees. The Gratuity plans provides a lumpsum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. The Company has an employees' gratuity fund managed by LIC of India.

k Borrowing Cost

Borrowing Cost include interest and amortisation of ancillary cost such as loan processing charges etc. incurred in connection with the arrangement of borrowings to the extent they regarded as an adjustment to the interest cost.

l Provisions and Contingencies

Provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made. Contingent Liabilities are disclosed in the notes. Contingent Assets are not recognised in the financial statements

m Earnings per Share

The Basic earnings per share is computed by dividing the net profit / loss attributable to the Equity Shareholders for the year by the weighted average no of equity shares outstanding during the reporting year.

For the purpose of calculating diluted earnings per share the net profit/loss for the year attributable to equity shareholders and weighted average no of shares outstanding during the reporting year is adjusted for the effect of all dilutive potential equity shares. In considering whether potential equity shares are dilutive or antidilutive, each issue of series of potential equity shares is considered separately rather than aggregate.





STEEL CITY COMMODITIES PVT. LTD.

As at
31-Mar-19
Rs.

As at
31-Mar-18
Rs.

Note No.3

Share Capital

Authorised

10,00,000 (P.Y 10,00,000) Equity Shares of
Rupees 10/- each

10,000,000.00

10,000,000.00

Total

10,000,000.00

10,000,000.00

Issued subscribed and paid up capital

10,00,000 (P.Y 10,00,000) Equity Shares of
Rupees 10/- each, fully paid-up

10,000,000.00

10,000,000.00

10,000,000.00

10,000,000.00

Notes:

(i) Rights attached to equity shares:

The company has only one class of Equity Shares having at par value of INR 10/- per share. Each equity holder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to necessary approval from the shareholders except in case of interim Dividend

During the year, the per share interim dividend paid to equity shareholders was Rs. NIL/- (previous year Rs. NIL/-) and final Dividend recommended for distribution to equity shareholders is Rs. NIL- (previous year Rs.2/-)

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

(ii) List of shareholders holding more than 5% of the total number of shares issued by the Company:

Name of the Shareholder	As at March, 2019		As at March, 2018	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Steel City Securities Limited	1000000	100.00	836500	83.65
Satish Kumar Arya	0	-	132500	13.25

(iii) There are no shares bought back by the Company during the period of Five Years immediately preceding the Balance Sheet Date. There are no securities that are convertible into equity/preference shares or employee stock option issued by the Company

Note No.4

Reserves and Surplus

General Reserve

Balance at the beginning of the year

17,227,128.12

16,849,444.81

Add: Transfer from Surplus

92,130.86

377,683.31

Closing Balance

17,319,258.98

17,227,128.12

Surplus in statement of Profit and Loss

Opening Balance

109,871,602.85

108,879,613.05

Add: Net Profit/(Loss) for the current period

921,308.61

3,776,833.11

Amount available for appropriation

110,792,911.46

112,656,446.16

Appropriations:

Transfer to General Reserve

(92,130.86)

(377,683.31)

Interim Dividend

-

-

Interim Dividend Tax

-

-

Proposed Dividend

-

(2,000,000.00)

Proposed Dividend Tax

-

(407,160.00)

Closing Balance

110,700,780.60

109,871,602.85

Total

128,020,039.58

127,098,730.97





STEEL CITY COMMODITIES PVT. LTD.

	As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
Note No.5		
Long-term borrowings		
Secured		
Vehicle Loans from Banks	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Note No.6		
Deferred tax liabilities (net)		
<u>Tax effect of items constituting deferred tax liability</u>		
- Depreciation on fixed assets	124,023.70	144,587.21
Tax effect of items constituting deferred tax liability (A)	<hr/> 124,023.70	<hr/> 144,587.21
<u>Tax effect of items constituting deferred tax Asset</u>		
- Provision for Doubtful Debts	31,902.98	31,902.98
Tax effect of items constituting deferred tax Asset (B)	<hr/> 31,902.98	<hr/> 31,902.98
Deferred Tax liability (net) (A-B)	92,120.72	112,684.23
Note No.7		
Trade payables		
Trade Payables	1,855,493.88	1,307,187.37
Margin money from Trade Clients	34,128,091.56	28,667,444.82
	<hr/> 35,983,585.44	<hr/> 29,974,632.19
In order to secure the performance by the clients of their obligations, commitments & liabilities to the company they placed the margins with the company.		
Note No.8		
Other Current Liabilities		
Liability for expenses	4,332,406.54	4,857,739.30
	<hr/> 4,332,406.54	<hr/> 4,857,739.30
Note No.9		
Short term provisions		
Provision for Employee benefits		
- provision for gratuity	-	41,020.00
Provision for Taxation	1,617,210.00	1,188,130.00
Provision for Dividend	-	2,000,000.00
Provision for Dividend Tax	-	407,160.00
	<hr/> 1,617,210.00	<hr/> 3,636,310.00





Note No.10 : Tangible Assets

Description	Gross Block at Cost				Depreciation					Net Block	
	As at 01.04.2018	Additions as on 31.03.2019	Deletions as on 31.03.2019	As at 31.03.2019	Up to 31.03.2018	Rate of Dep	Dep during the period	Del. during the period	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
Furnitures											
&Fixtures	237,585.00	-	-	237,585.00	59,132.52	10 yrs	22,570.58	-	81,703.10	155,881.90	178,452.48
Electrical	1,950,166.00	-	-	1,950,166.00	557,201.26	10 yrs	185,265.77	-	742,467.03	1,207,698.97	1,392,964.74
Equipments											
Computers	3,650.00	-	3,650.00	-	3,163.50	3-6 yrs	486.50	3,650.00	-	-	486.50
Vehicles	832,950.00	-	-	832,950.00	461,421.02	8 Yrs	98,912.81	-	560,333.83	272,616.17	371,528.98
Other Assets	-	-	-	-	-	5 Yrs	-	-	-	-	-
Total	3,024,351.00	-	3,650.00	3,020,701.00	1,080,918.30		307,235.66	3,650.00	1,384,503.96	1,636,197.04	1,943,432.70

Note No.11 : Intangible Assets

Description	Gross Block at Cost				Depreciation					Net Block	
	As at 01.04.2018	Additions as on 31.03.2019	Deletions as on 31.03.2019	As at 31.03.2019	Up to 31.03.2018	Rate of Dep	Dep during the period	Del. during the period	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
Software	-	-	-	-	-	3 yrs	-	-	-	-	-
Total	-	-	-	-	-		-	-	-	-	-





STEEL CITY COMMODITIES PVT. LTD.

Note No.12

Investments

Long-term Investments:

Other investments (unquoted) - Trade

Associate:

9,60,000 (P.Y 960000) equity shares of Rs.10/- each
of Steel City Financial Services Pvt Ltd (formerly
known as Sri Geeta Sai Finvest Pvt Ltd)

As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
---------------------------	---------------------------

12,900,000.00	12,900,000.00
---------------	---------------

Other investments (unquoted) - Non- Trade

4,00,000 (P.Y 4,00,000) 9% Compulsory Convertible Cumulative Preference
Shares of MELIORA ARC LTD

517 (P.Y 216) 9% Compulsory Convertible Debentures of Redcliffe Hygiene
Private Limited

10,000,000.00	10,000,000.00
---------------	---------------

7,990,635.00	2,495,880.00
--------------	--------------

30,890,635.00	25,395,880.00
----------------------	----------------------

Book Value of Unquoted Investments

30,890,635.00	25,395,880.00
---------------	---------------

Current Investments:

Other investments (Quoted) - Trade

ANI Integrated Services Ltd 1200 Qty (P.Y.1200) of Rs.10/- (PY Rs.10/-) each

Asian Paints Ltd 865 Qty (P.Y 865) of Rs.1/- (PY Rs.1/-) each

Cipla Ltd 3235 Qty (P.Y 3235) of Rs.2/- (PY Rs.2/-) each

DLF Ltd 3950 Qty (P.Y 3950) of Rs.2/- (PY Rs.2/-) each

India Cements Ltd 11000 Qty (P.Y 11000) of Rs.10/- (PY Rs.10/-) each

Lupin Ltd 1000 Qty (P.Y 0) of Rs.10/- (PY Rs.10/-) each

Shivalik Rasaayan Ltd 15000 Qty (P.Y 0) of Rs.10/- (PY Rs.10/-) each

Tata Motors Ltd 14690 Qty (P.Y 4650) of Rs.10/- (PY Rs.10/-) each

Wockhardt Pharma Ltd 2190 Qty (P.Y 2190) of Rs.10/- (PY Rs.10/-) each

120,000.00	120,000.00
------------	------------

1,000,278.48	1,000,278.48
--------------	--------------

2,005,279.61	2,005,279.61
--------------	--------------

1,003,564.14	1,003,564.14
--------------	--------------

2,020,944.80	2,020,944.80
--------------	--------------

809,130.55	-
------------	---

4,890,000.00	-
--------------	---

5,717,278.79	2,004,664.41
--------------	--------------

2,003,529.10	2,003,529.10
--------------	--------------

19,570,005.47	10,158,260.54
---------------	---------------

(6,179,648.47)	(1,825,234.79)
----------------	----------------

13,390,357.00	8,333,025.75
----------------------	---------------------

Provision for Diminution in value of Investments

Book Value of Quoted Investments

19,570,005.47	10,158,260.54
---------------	---------------

Market Value of Quoted Investments

13,390,357.00	8,333,025.75
---------------	--------------

Note No.13

Long term Loans and Advances

Unsecured, considered good

Interest free Security Deposits with Exchanges

11,750,000.00	10,500,000.00
---------------	---------------

Rental Deposits

530,000.00	530,000.00
------------	------------

Electricity Deposits

35,630.00	35,630.00
-----------	-----------

12,315,630.00	11,065,630.00
----------------------	----------------------

Note No.14

Other Non-current Assets

Advance Income Tax

428,368.40	947,691.70
------------	------------

Prepaid expenses

80,709.78	79,759.38
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509,078.18	1,027,451.08
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STEEL CITY COMMODITIES PVT. LTD.

	As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
Note No.15		
Trade Receivables		
outstanding for a period exceeding Six months		
Unsecured, considered good	7,316,391.20	7,105,991.51
Unsecured, considered Doubtful	106,806.08	106,806.08
	<u>7,423,197.28</u>	<u>7,212,797.59</u>
Less: Provision for Doubtful Debts	106,806.08	106,806.08
	<u>7,316,391.20</u>	<u>7,105,991.51</u>
outstanding for a period between three to Six months		
Unsecured, considered good	114,222.13	138,366.13
Other Debts - Less than Three Months		
Secured, considered good	321,061.32	2,929,667.01
	<u>7,751,674.65</u>	<u>10,174,024.65</u>
Note No.16		
Cash and Cash Equivalents		
Cash on hand	340,985.00	223,710.00
Cheques, drafts on hand and transit	155,000.00	75,000.00
Balances with Banks		
- in current accounts	20,580,222.71	12,180,144.57
- Unclaimed dividend account	-	-
- in deposit accounts		
Against Bank Guarantees & other commitments	25,029,456.23	25,029,456.23
Deposit original maturity less than 12 months	25,000,000.00	42,349,180.00
Deposit original maturity more than 12 months	-	-
	<u>71,105,663.94</u>	<u>79,857,490.80</u>
deposit accounts includes an amount of Rs.2.00 Cr placed with HDFC bank pledged against the BG issued by them		
Note No.17		
Short-term loans and advances		
Other loans and advances		
Advance to employees	-	9,000.00
Others	38,790,400.00	34,487,297.62
	<u>38,790,400.00</u>	<u>34,496,297.62</u>
Others includes an amount of Rs.3,67,55,200/- given as Inter-corporate loan to M/s. Omcon infrastructure Pvt Ltd.		
Note No.18		
Other Current Assets		
Interest accrued on Fixed Deposits with Banks	1,809,639.23	2,175,235.32
Other Receivables	1,846,087.24	1,211,628.77
	<u>3,655,726.47</u>	<u>3,386,864.09</u>
Note No.19		
Revenue from Operations		
Income from Operations	14,966,100.20	13,225,896.83
	<u>14,966,100.20</u>	<u>13,225,896.83</u>
Note No.20		
Other Income		
Interest from Fixed Deposits	7,904,348.71	8,088,468.31
Insurance Commission	380,474.73	307,549.75
Profit on Sale of Investments	129,486.76	4,854,203.46
Dividend on Equity Shares	274,963.50	55,740.00
Pref.Dividend carrying 9% coupon rate	360,000.00	360,000.00
Bad Debts Recoveries	-	-
	<u>9,049,273.70</u>	<u>13,665,961.52</u>





STEEL CITY COMMODITIES PVT. LTD.

	As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
Note No.21		
Expenditure on Trading Operations		
Transaction Charges	4,318.76	-
Annual Subscriptions to Exchanges	173,333.00	75,375.00
V Sat Charges and Maintenance	(18,114.00)	(6,536.82)
Batteries, UPS Maintenance	90,900.00	125,500.00
	<u>250,437.76</u>	<u>194,338.18</u>
Note No.22		
Employee benefits expense		
Salaries, wages and bonus	4,179,552.00	6,675,955.00
Contribution to:		
- Provident Fund and other Funds	306,809.00	579,889.00
- Gratuity	(114,728.00)	108,590.00
Staff Welfare Expenses	51,689.00	56,294.00
	<u>4,423,322.00</u>	<u>7,420,728.00</u>
a) Provident Fund : Company pays fixed contribution to Provident Fund at predetermined rates to the EPF fund maintained by Employees' Provident Fund Organisation, Government of India. Company obligation is limited to payment of contribution at the pre determined rates. The settlement to the employees shall be made by the EPF organisation.		
b) Gratuity: Payable to employees, who render continuous service of 5 years or more, on separation, @15 days of last drawn pay of each completed year of service.		
c) Leave encashment: Leave encashment amount is paid to the employees at the end of the each calendar year.		
Note No.23		
Finance Cost		
BG Commission and Charges	322,738.32	297,370.88
Interest Expenses	-	146,914.00
Other Borrowing Cost	-	-
	<u>322,738.32</u>	<u>444,284.88</u>
Note No.24		
Other Expenses		
Business Development	254,540.71	364,639.60
Computer maintenance including parts	1,080,055.00	981,715.35
Demat charges	36.90	6,790.55
Diminution in value of investments	4,354,413.68	1,825,234.79
Donations	5,000.00	15,000.00
Documentation Charges	-	20,000.00
Electricity Charges and maintenance	741,324.00	771,317.00
Fee to Company Secretary	30,000.00	30,000.00
Fees & Charges, Filing fee	276,740.92	296,912.73
Generator maintenance	18,495.00	25,731.00
Insurance	11,151.00	22,556.00
Legal, Consultancy and Professional fee	324,000.00	808,820.00
Office Maintenance	162,000.00	172,050.00
Office Rent	1,488,000.00	1,427,990.00
Payment to Auditors (Refer Note No.24.1)	195,000.00	195,000.00
Printing & Stationery, Postage and Other Charges	2,557.00	53,628.00
Provision for Doubtful Debts	-	-
Sub-brokerage	7,262,512.15	6,359,248.81
Subscriptions	37,000.00	39,500.00
Telephone Charges & Maintenance	(11,500.00)	1,300.00
Tours and Travels	-	-
Vehicle maintenance	12,007.00	19,985.00
	<u>16,243,333.36</u>	<u>13,437,418.83</u>





STEEL CITY COMMODITIES PVT. LTD.

Note No.24.1

Payment to Auditors includes payments to Statutory Auditors towards

As at 31-Mar-19 Rs.	As at 31-Mar-18 Rs.
---------------------------	---------------------------

Statutory Audit Fee
Taxation Matters
Certifications

40,000.00	40,000.00
-	-
-	-
<u>40,000.00</u>	<u>40,000.00</u>

Note No.25

Earnings per share (EPS)

Earnings

921,308.61	3,776,833.11
------------	--------------

Shares

No. of Shares

1,000,000.00	1,000,000.00
--------------	--------------

E P S of par value of Rs.10/- basic & diluted - Annualised

0.92	3.78
------	------





STEEL CITY COMMODITIES PVT. LTD.

Note No.26

Contingent Liability not provided for:

- a) Bank Guarantees extended by The HDFC Bank for Rs.4,00,00,000/-favouring MCX&NCDEX

Note No.27

Segment Reporting:

The Company is engaged in the business of providing Commodities broking. Accordingly the primary segments have been identified as Commodities broking. Thus, it operates in a single primary segment.

Further the Company has no geographical segments which are subject to different risk and returns. Hence, no separate disclosure in terms of Accounting Standard (AS -17) on segment reporting is considered necessary.

Note No.28

Provision for Taxation has been made after taking into account, the difference between depreciation in the accounts and the depreciation allowable as per the Income Tax Act, 1961 and other deductions /additions allowable/disallowable under the Income Tax Act, 1961.

Note No.29

The Income Tax Assessments of the Company have been completed up to the accounting year 2016-2017 relevant to the assessment year 2017-2018

Note No.30

Related party disclosures:

Nature of relationship	Name of the party
(a) Related parties	
Holding Company	Steel City Securities Limited
Group Companies	Steel City Financial Services Private Limited
(b) Other related parties:	
Key Management Personnel	Mr. K Satyanarayana Mr. Satish Kumar Arya

(c) Significant transaction with related parties: (in Rupees)

Sl No.	Nature of Relationship	Name of the Related Party	Remu-neration	Nature of Transaction				
				Corporate guarantee Taken	Advance Returned	Advance Taken	Dividend Paid/(received)	Brokerage Received
1	Holding Company -	Steel City * Securities Limited	0.00	4,00,00,000.00	2,93,379.96	2,93,379.96	0.00	0.00
2	Group Company	Steel City Financial Services Pvt Ltd	0.00	0.00	0.00	0.00	(2,40,000)	
2	Director	K Satyanarayana	0.00	0.0	0.00	0.00	0.00	0.00
3	Director	Satish Kumar Arya	0.00	0.00	0.00	0.00	0.00	0.00
4	Director	Ch Murali Krishna	0.00	0.00	0.00	0.00	0.00	0.00
	Total		0.00	4,00,00,000.00	2,93,379.96	2,93,379.96	0.00	0.00

Note: Transactions between group companies comprise of extension and return of temporary advances/adjustment entry of funds as identified by the Company's management from the Holding/Subsidiary Company's Current Account





STEEL CITY COMMODITIES PVT. LTD.

(d) Amount due to/From related Parties (in Rupees)

Nature of transaction	Due to/ (from)
Steel City Securities Limited	0.00
K Satyanarayana	0.00
Satish Kumar Arya	0.00
Ch Murali Krishna	0.00

Note No.31

Defined Benefit Plan – Gratuity

The Company provides gratuity benefit to its employees, which is funded with Life Insurance Corporation of India. The following table sets out the funded status of the defined benefit scheme and the amounts recognised in the financial statements:

	31 st March 2019	31 st March 2018
Net Asset / (Liability) recognised in the Balance Sheet:		
Present Value of Defined Benefit Obligation	2,19,320	3,49,558
Fair Value of Plan Assets	4,43,028	3,08,538
Funded Status [Surplus / (Deficit)]	2,23,708	(41,020)
Unrecognised Past Service Costs	---	---
Net Asset / (Liability) recognised in the Balance Sheet	2,23,708	(41,020)
Change in Defined Benefit Obligations (DBO) during the Year:		
Present Value of DBO at the beginning of the Year	3,49,558	2,72,674
Current Service Cost	79,967	84,989
Interest Cost	25,389	19,352
Actuarial (Gains) / Losses	---	--
Past Service Cost	---	--
Benefits Paid	(40,528)	(7,798)
Actuarial loss/(gain) on obligation (balancing figure)	(1,95,066)	(19,659)
Present Value of DBO at the end of the Year	2,19,320	3,49,558
Change in Fair Value of Assets during the Year:		
Plan Assets at the beginning of the Year	3,08,538	1,99,453
Expected Return on Plan Assets	27,427	18,539
Actual Company Contributions	1,50,000	1,00,000
Actuarial Gain / (Loss)	(2,409)	(1,656)
Benefits Paid	(40,528)	(7,798)
Plan Assets at the end of the Year	4,43,028	3,08,538
Actual Return on Plan Assets	25,018	16,883
Composition of Plan Assets is as follows:		
Government Bonds	Not Received	Not Received
Debentures and Bonds	Not Received	Not Received
Fixed Deposits	Not Received	Not Received
Others	Not Received	Not Received
* - Funds are managed by Life Insurance Corporation of India and composition of the fund as at the balance sheet date was not provided by the insurer.	4,43,028	3,08,538
Assumption used in accounting for Gratuity Plan:		
Discount Rate	7.58	7.71
Salary Escalation Rate	5.00	5.00
Expected rate of return on plan assets	7.59	7.55





STEEL CITY COMMODITIES PVT. LTD.

Note No.32

Figures of the Previous year have been regrouped wherever necessary, to confirm to the current year's presentation/classification

In terms of our report attached
For A.V. Ratnam & Co.,
Chartered Accountants
Firm Reg.No.003208S

For STEEL CITY COMMODITIES PRIVATE LIMITED

Y V V SATYANARAYANA
Partner
Membership NO.214256



K SATYANARAYANA
DIRECTOR

SATISH KUMAR ARYA
DIRECTOR



PLACE: VISAKHAPATNAM
DATE : 28.05.2019